

CIRCULAR DATED 5 FEBRUARY 2016

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser.**

**If you have sold all your ordinary shares in the issued and paid-up share capital of Green Build Technology Limited (the “Company”), you should forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser.**

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



**GREEN BUILD TECHNOLOGY  
GREEN BUILD TECHNOLOGY LIMITED  
(FORMERLY KNOWN AS YOUYUE INTERNATIONAL LIMITED)**

(Incorporated in the Republic of Singapore on 6 February 2004)  
(Company Registration Number 200401338W)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) THE PROPOSED DISPOSAL OF THE EXISTING PACKAGING BUSINESS TO YOUCAN FOODS (HANGZHOU) CO., LTD; AND**
- (2) THE PROPOSED PLACEMENT OF 7,818,000 NEW ORDINARY SHARES (THE “SUBSCRIPTION SHARES”) AT S\$0.315 (THE “SUBSCRIPTION PRICE”) FOR EACH SUBSCRIPTION SHARE.**

**Independent Financial Adviser to the Directors of the Company with respect to the Proposed Disposal**



**PROVENANCECAPITAL**

**PROVENANCE CAPITAL PTE. LTD.**

(Company Registration No: 200309056E)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 21 February 2016 at 10:00 a.m.

Date and time of Extraordinary General Meeting : 23 February 2016 at 10:00 a.m.

Place of Extraordinary General Meeting : RELC International Hotel, 30 Orange Grove Road, Singapore 258352

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

- “ACRA”** : Accounting and Corporate Regulatory Authority
- “Act” or “Companies Act”** : Companies Act (Cap. 50) of Singapore, as amended or modified from time to time
- “Announcement”** : the announcement on the Proposed Disposal released by the Company on 16 October 2015 on SGXNET
- “Associates”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : the Audit Committee of the Company
- “Board” or “Board of Directors”** : the board of directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “China Invest”** : China Invest Trading Co., Ltd.
- “CIETAC”** : China International Economic and Trade Arbitration Commission
- “CIETAC Rules”** : the arbitration rules of CIETAC for the time being in force
- “Circular”** : this circular to Shareholders dated 5 February 2016
- “Company”** : Green Build Technology Limited
- “Completion”** : the completion of the Proposed Disposal
- “Controlling Shareholder”** : a person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
  - (b) in fact exercises Control over the Company

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## DEFINITIONS

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<b>“Directors”</b>	:	the directors of the Company as at the Latest Practicable Date, and each a <b>“Director”</b>
<b>“Disposal Companies” or “Packaging Business”</b>	:	collectively, Yourun, Yue Hai and Jia Hua, and each a <b>“Disposal Company”</b>
<b>“Deed of Release”</b>	:	means the deed of release entered into by the Company and the Purchaser in relation to the Outstanding Sum
<b>“Disposal Capital”</b>	:	100% of the registered capital of Yourun
<b>“Effective Transfer Date”</b>	:	shall have the meaning ascribed to it under paragraph 2.5.2 of this Circular
<b>“EGM”</b>	:	the extraordinary general meeting of the Company, to be convened and held on 23 February 2016, the notice of which is set out on pages 55 to 56 of this Circular (or any adjournment thereof)
<b>“Enlarged Share Capital”</b>	:	the enlarged issued share capital of the Company comprising 246,677,796 Shares upon the Proposed Placement (assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date)
<b>“EPS”</b>	:	earnings per share
<b>“FY”</b>	:	financial year ended or ending 31 December, as the case may be
<b>“FY2014”</b>	:	the financial year ended 31 December 2014
<b>“General Mandate”</b>	:	the general share issue mandate obtained from shareholders of the Company at the annual general meeting of the Company held on 30 April 2015
<b>“Green Technology Business”</b>	:	shall have the meaning ascribed to it in paragraph 1.1.4 of this Circular
<b>“Green Technology Projects”</b>	:	shall have the meaning ascribed to it in paragraph 2.7.1(i)(b) of this Circular
<b>“Group”</b>	:	the Company and its subsidiaries, collectively, for the time being
<b>“Harbin City”</b>	:	Harbin City, Heilongjiang Province, the PRC
<b>“Harbin Shengming”</b>	:	Harbin Shengming Energy Saving and Technology Co., Ltd. (formerly known as “ <i>Harbin Promlite Energy Saving Technology Co., Ltd.</i> ”), a fully owned subsidiary of the Company in the PRC
<b>“HY2015”</b>	:	the half year ended 30 June 2015
<b>“HUTCAM”</b>	:	Harbin Utility Tunnel Construction and Management Co., Ltd.
<b>“IFA” or “Provenance Capital”</b>	:	independent financial adviser, or Provenance Capital Pte. Ltd.
<b>“IFA Letter”</b>	:	letter dated 5 February 2016 from the IFA to the Independent Directors

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## DEFINITIONS

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<b>“Independent Auditor’s Report”</b>	:	the independent auditor’s report dated 28 April 2015 prepared by Ernst & Young Hua Ming LLP in relation to the audit of the Disposal Companies
<b>“Independent Directors”</b>	:	means the Directors deemed to be independent in relation to the Proposal Disposal
<b>“Independent Shareholders”</b>	:	shall have the meaning ascribed to it in paragraph 1.1.5 of this Circular
<b>“Jia Hua”</b>	:	Jia Hua Packaging and Printing Co., Ltd.
<b>“Latest Practicable Date”</b>	:	29 January 2016, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	the listing manual of SGX-ST, as amended, modified or supplemented from time to time
<b>“Market Day”</b>	:	a day on which the SGX-ST is open for trading in securities
<b>“Net Disposal Proceeds”</b>	:	the net cash proceeds from the Proposed Disposal to be received by the Company approximated at Singapore Dollars Two Million Nine Hundred and Sixty Thousand (S\$2,960,000)
<b>“Net Placement Proceeds”</b>	:	the net cash proceeds from the Proposed Placement to be received by the Company approximated at Singapore Dollars Two Million Four Hundred and Sixty-two Thousand Six Hundred and Seventy (S\$2,462,670)
<b>“NTA”</b>	:	net tangible assets
<b>“Outstanding Sum”</b>	:	the sum as owing by the Vendor to the Purchaser as stipulated under the Deed of Release
<b>“Placement Agreements”</b>	:	the placement agreements entered into between the Company and the Subscribers dated 13 May 2015
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Proposed Disposal”</b>	:	the proposed disposal of the Disposal Capital by the Company to the Purchaser
<b>“Proposed Placement”</b>	:	the proposed placement of the Subscription Shares to the Subscribers
<b>“Purchaser”</b>	:	Youcan Foods (Hangzhou) Co., Ltd.
<b>“Put Option”</b>	:	the put option dated 1 November 2011 granted by the Purchaser to the Company
<b>“RMB”</b>	:	Chinese Yuan Renminbi, the lawful currency of the PRC
<b>“Securities and Futures Act”</b>	:	Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited

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## DEFINITIONS

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<b>“SGXNET”</b>	:	the SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<b>“Shareholders”</b>	:	persons (other than CDP) who are for the time being registered as holders of Shares in the Register of Members of the Company and Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	ordinary shares in the capital of the Company, and each a <b>“Share”</b>
<b>“SPA”</b>	:	the sale and purchase agreement originally dated 16 October 2015 entered into by the Company and the Purchaser in connection with the Proposed Disposal and as amended by the supplemental agreement dated 2 February 2016 entered into between the Company and the Purchaser
<b>“Subscribers”</b>	:	the employees of the Group as stated in the Appendix IV of this Circular
<b>“Subscription Price”</b>	:	the subscription price of S\$0.315 for each Subscription Share
<b>“Subscription Shares”</b>	:	the aggregate of shares to be subscribed under the Placement Agreements, and each a <b>“Subscription Share”</b>
<b>“Substantial Shareholder”</b>	:	a person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“Town Planning Project”</b>	:	shall have the meaning ascribed to it in paragraph 2.7.1(i)(a) of this Circular
<b>“Underground Utility Tunnel Project”</b>	:	shall have the meaning ascribed to it in paragraph 2.7.1(i)(c) of this Circular
<b>“Undertakings”</b>	:	the undertakings given by Mr Zhao Lizhi, Mr Chan Mang Ghoon and Ms Wu Xueying dated 26 October 2015
<b>“Valuation Report”</b>	:	valuation report prepared by the Valuer dated 19 May 2015
<b>“Valuer”</b>	:	Zhejiang Zhong Qi Hua Appraisal Co., Ltd (浙江中企华资产评估有限公司)
<b>“Youcan Circular”</b>	:	the letter to shareholders dated 13 March 2012 by Youcan Foods International Limited (as the Company was then known as)
<b>“You Kang”</b>	:	You Kang Foods Holdings Co., Ltd (祐康食品集团有限公司)
<b>“Yourun”</b>	:	Yourun Packaging Technology (Hangzhou) Co., Ltd.
<b>“Yue Hai”</b>	:	Yue Hai Colour Printing and Packaging Co., Ltd
<b>“%” or “percent”</b>	:	Percentage or per centum

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## DEFINITIONS

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The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” have the same meanings ascribed to them in Section 130A of the Companies Act.

The term “**subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations where applicable.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to “**we**”, “**us**” and “**our**” in this Circular is a reference to the Group or any member of the Group as the context requires.



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## LETTER TO SHAREHOLDERS

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**GREEN BUILD TECHNOLOGY**  
**GREEN BUILD TECHNOLOGY LIMITED**  
**(FORMERLY KNOWN AS YOUYUE INTERNATIONAL LIMITED)**  
(Incorporated in the Republic of Singapore on 6 February 2004)  
(Company Registration Number 200401338W)

### Company Directors

Zhao Lizhi	<i>Non-Executive Chairman</i>
Wu Xueying	<i>Chief Executive Officer and Executive Director</i>
Li Bin	<i>Executive Director</i>
Yao Fengge	<i>Independent Director</i>
Lu King Seng	<i>Independent Director</i>
Kuan Cheng Tuck	<i>Independent Director</i>

### Registered Office:

9 Temasek Boulevard  
#09-01 Suntec City Tower 2  
Singapore 038989

5 February 2016

To : The Shareholders of Green Build Technology Limited

Dear Sir/Madam

- (1) THE PROPOSED DISPOSAL OF THE EXISTING PACKAGING BUSINESS; AND
- (2) THE PROPOSED PLACEMENT OF 7,818,000 NEW ORDINARY SHARES (THE "SUBSCRIPTION SHARES") AT S\$0.315 (THE "SUBSCRIPTION PRICE") FOR EACH SUBSCRIPTION SHARE.

### 1. INTRODUCTION

#### 1.1 THE PROPOSED DISPOSAL OF THE EXISTING PACKAGING BUSINESS

##### 1.1.1 The Put Option

On 2 November 2011, the Group had announced, *inter alia*, that the Group may subsequently pursue strategic or favourable business opportunities which may arise from time to time, to improve its financial condition and outlook, including but not limited to conducting suitable mergers or acquisitions, and/or entering new businesses, which may require divestment of the Packaging Business (as defined below in paragraph 1.1.2). The aforementioned announcement was made subsequent to the procurement of a conditional undertaking from Youcan Foods (Hangzhou) Co., Ltd. (the "Purchaser") on 1 November 2011, pursuant to which the Company may require the Purchaser or its nominee(s) to purchase the Packaging Business (the "Put Option").

The salient terms of the Put Option are as follows:

- (i) the Put Option is exercisable at the sole discretion of the Company, and shall be exercisable up to and including 30 April 2014. As mutually agreed between the Company and the Purchaser and announced on SGXNet on 6 May 2014 (Announcement Reference SG140506OTHRP9B0), the deadline for exercising the Put Option was subsequently extended to 30 April 2015;

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## LETTER TO SHAREHOLDERS

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- (ii) if the Put Option were to be exercised, the Purchaser (or its nominee(s)) would be required to acquire the Packaging Business based on the prevailing net asset value of such equity interest as at the date of exercise of the Put Option, as derived from the Group's latest audited financial statements at the time of the exercise. The consideration for the aforementioned acquisition by the Purchaser was arrived at by taking into account the following factors: (a) the Company is entitled to but not obliged to exercise the Put Option; (b) the Put Option was intended to provide the Group a buyer of last resort for the Packaging Business; and (c) the price for the Packaging Business which the Purchaser was willing to agree to in advance, and continue to offer for the duration of the Put Option;
- (iii) to ensure that the exercise of the Put Option would be in the best interests of the Company, prior to the exercise of the Put Option:
  - (a) the Company shall procure an independent valuation of the Packaging Business for the Board's consideration;
  - (b) the Board shall seek and obtain the approval of the Audit Committee for the exercise of the Put Option, and the Audit Committee shall consider, *inter alia*, such independent valuation and the terms of any other *bona fide* offers for the Packaging Business; and
  - (c) the Company shall seek and obtain independent Shareholders' approval for exercise of the Put Option, and an independent financial adviser shall be appointed to advise the independent Directors and independent Shareholders as to, *inter alia*, whether exercise of the Put Option will constitute a transaction on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.
- (iv) in the event that the Company decides not to exercise the Put Option, an announcement will be released via SGXNet at the relevant time.

On 30 April 2015, the Company exercised the said Put Option, and the said exercise was announced on SGXNET on the same day (Announcement Reference SG1504300THRRH4H).

- 1.1.2 On 16 October 2015 (after trading hours), the Company entered into the conditional sale and purchase agreement (the "**SPA**") with the Purchaser pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the entire registered capital (the "**Disposal Capital**") of Yourun Packaging Technology (Hangzhou) Co., Ltd. ("**Yourun**") (the "**Proposed Disposal**"). The Proposed Disposal will result in the disposal of the Group's packaging business, which as at the date of this Circular would comprise Yourun, Yue Hai Colour Printing and Packaging Co., Ltd ("**Yue Hai**") and Jia Hua Packaging and Printing Co., Ltd. ("**Jia Hua**") (collectively, the "**Packaging Business**", or the "**Disposal Companies**", and each a "**Disposal Company**").
- 1.1.3 As the relative figures computed on the basis set out in Rule 1006 of the Listing Manual exceeds 20%, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is conditional upon the approval of Shareholders. For further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual, please refer to Paragraph 2.9 of this Circular.

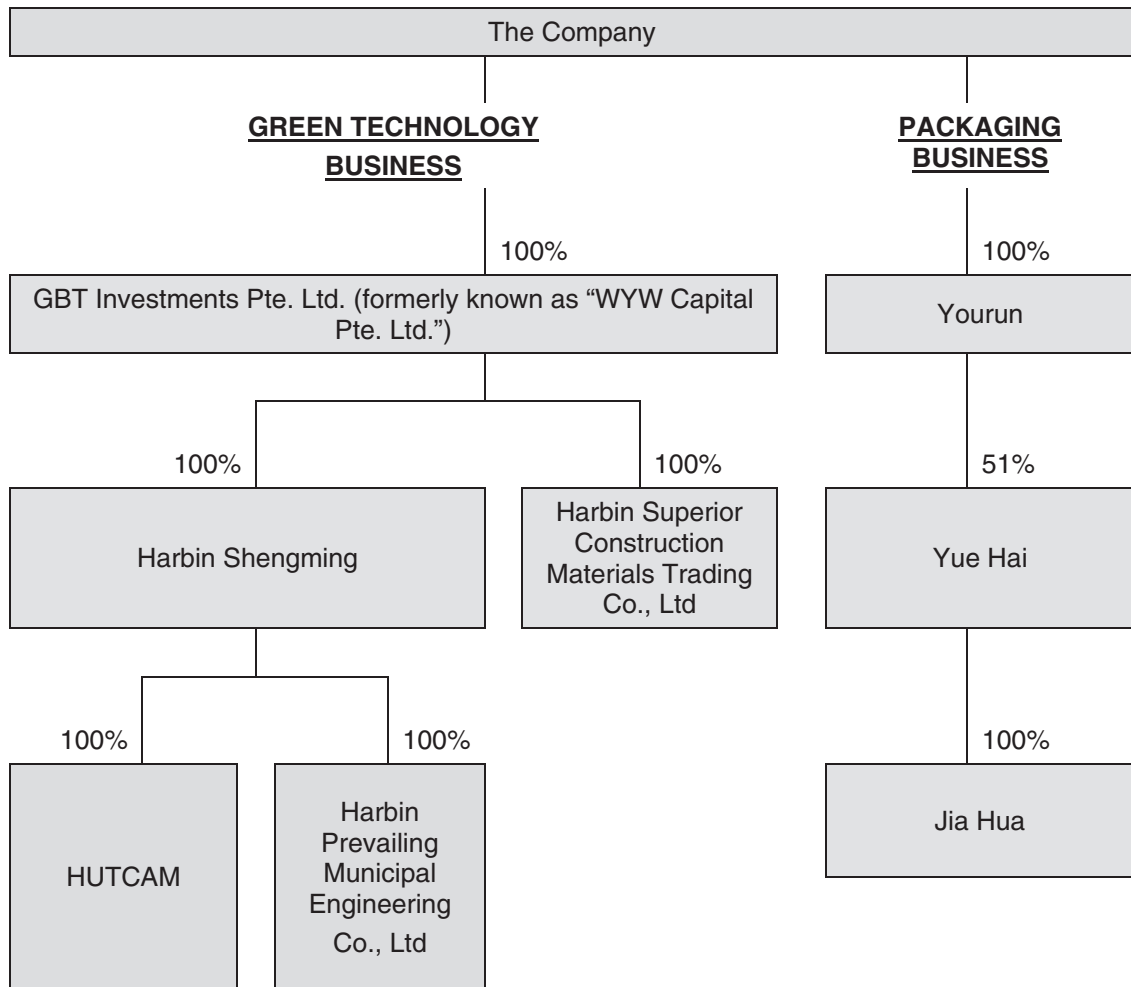
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## LETTER TO SHAREHOLDERS

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### 1.1.4 Group structure before and after the Proposed Disposal

The Group structure before the Proposed Disposal is as follows:

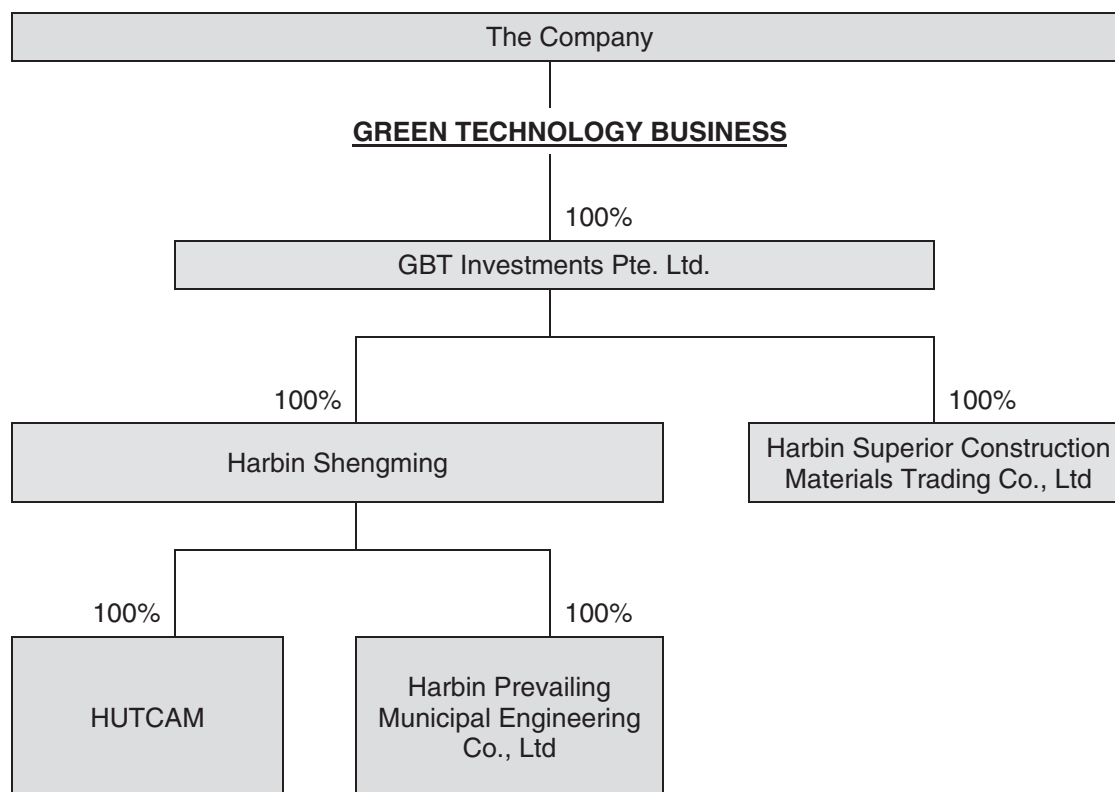


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## LETTER TO SHAREHOLDERS

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The Group structure after the Proposed Disposal is as follows:



Upon the completion of the Proposed Disposal, Yourun, Yue Hai, and Jia Hua will cease to be subsidiaries of the Company as under Rule 703(16) of the Listing Manual. The Company's primary business moving forward will be its green technology business, which comprises its fully owned subsidiaries, GBT Investments Pte. Ltd., Harbin Shengming, HUTCAM, Harbin Prevailing Municipal Engineering Co., Ltd., and Harbin Superior Construction Materials Trading Co., Ltd. (the "**Green Technology Business**").

- 1.1.5 Provenance Capital had been appointed as the independent financial adviser to advise the Directors on whether the Proposed Disposal is on normal commercial terms and whether it would be prejudicial to the interests of the Company and its Shareholders who are deemed to be independent in respect of the Proposed Disposal ("**Independent Shareholders**"). A copy of the IFA letter is reproduced and set out in Appendix I to this Circular. Shareholders are advised to read the IFA Letter carefully. Provenance Capital was also previously appointed as the independent financial adviser to the independent directors of the Company in respect of the re-organisation of the business and the disposal of the food business to the interested person as stated in the Youcan Circular.
- 1.1.6 As mentioned above in paragraph 1.1.5, Provenance Capital has been appointed to advise the Independent Directors on whether the Proposed Disposal is on normal commercial terms and whether it would be prejudicial to the interest of the Company and its Independent Shareholders had the Proposed Disposal been an interested person transaction. While the Proposed Disposal is no longer an interested person transaction, the Directors have, nonetheless, retained Provenance Capital as the IFA for the Proposed Disposal.
- 1.1.7 Mr Li Bin, an existing Director of the Company, has an interest in the Proposed Disposal as he is concurrently a 4% shareholder and director of You Kang Foods Holdings Co., Ltd (祐康食品集团有限公司) ("**You Kang**"), the controlling shareholder of the Purchaser. Mr Li Bin according will, and will procure his Associates to, abstain from voting on Proposed Disposal at the EGM (as defined below in paragraph 1.3.1) in respect of his shareholding in the Company and shall not accept

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## LETTER TO SHAREHOLDERS

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nominations as proxies or otherwise for voting on the resolution relating to the Proposed Disposal. Save for the above, the Purchaser has no further connection with the Company, its Directors and Substantial Shareholders. For the avoidance of doubt, the Proposed Disposal is **not** an interested person transaction as defined under the Listing Rules.

### 1.2 THE PROPOSED PLACEMENT OF 7,818,000 NEW ORDINARY SHARES

1.2.1 On 13 May 2015, the Company had entered into placement agreements (the “**Placement Agreements**”) with the employees of the Group (the “**Subscribers**”) pursuant to which the Subscribers had agreed to subscribe for an aggregate of 7,818,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at S\$0.315 (the “**Subscription Price**”) for each Subscription Share (the “**Proposed Placement**”). The Company had announced the Proposed Placement on the same day.

1.2.2 The Proposed Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

### 1.3 EXTRAORDINARY GENERAL MEETING

1.3.1 The Directors are accordingly convening an Extraordinary General Meeting of the Company (“**EGM**”) to be held on 23 February 2016 to seek the Shareholders’ approval for: (1) the Proposed Disposal; and (2) the Proposed Placement.

1.3.2 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Disposal and the Proposed Placement.

1.3.3 SGX-ST takes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

## 2. THE PROPOSED DISPOSAL OF THE EXISTING PACKAGING BUSINESS

Shareholders’ approval is being sought at the EGM for the Proposed Disposal by an ordinary resolution.

### 2.1 INFORMATION ON THE PURCHASER

The Purchaser was registered in the People’s Republic of China (the “**PRC**”) on 8 June 2004. The Purchaser and its subsidiaries and associated companies are principally engaged in the business of manufacturing and sale of frozen food and ice cream products. The Purchaser is beneficially owned by China Invest (25%) and You Kang (75%), which are both in turn majority-held by Mr. Dai Tianrong.

### 2.2 INFORMATION ON EACH DISPOSAL COMPANY

#### 2.2.1 Yourun

Yourun was registered in the PRC on 28 July 2011 and is a wholly-owned subsidiary of the Company, and as at the date of this Circular has a registered capital of US Dollars One Million and Five Hundred Thousand (US\$1,500,000). Yourun is engaged in the business of manufacturing and selling flexible packaging products since its registration. Yourun is also engaged in research and development on packaging technology, packaging design and packaging technology consultancy.

#### 2.2.2 Yue Hai

Yue Hai was registered in the PRC on 29 December 1997, and as at the date of this Circular has a registered capital of Renminbi Thirty One Million Sixty-One Thousand One Hundred and Eighty (RMB31,061,180). Yue Hai owns 100% of the registered capital of Jia Hua and as such, Yourun owns 51% of the registered capital of Yue Hai. Yue Hai is engaged in the business of manufacturing and sale of flexible packaging products.

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## LETTER TO SHAREHOLDERS

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Mr. Ye Jianming, a director and general manager of Yue Hai, holds approximately 26.3% of the equity interest in Yue Hai. Five (5) of the executive staff who assist Mr Ye Jianming collectively hold approximately 10.7% of the equity interest in Yue Hai. The remaining 12.0% equity interest in Yue Hai is held by unrelated third parties. Please refer to Appendix V to this Circular for the full list of the aforementioned unrelated third parties and their respective shareholdings in Yue Hai.

### 2.2.3 Jia Hua

Jia Hua was registered in the PRC on 22 October 2004, and as at the date of this Circular has a registered capital of Renminbi Twenty-Five Million (RMB 25,000,000). Jia Hua is the wholly-owned subsidiary of Yue Hai. Jia Hua is also engaged in the business of manufacturing and sale of flexible packaging products.

## 2.3 VALUE OF THE DISPOSAL CAPITAL

2.3.1 The Company commissioned a valuation of the entire Packaging Business, which was conducted by Zhejiang Zhong Qi Hua Appraisal Co., Ltd (浙江中企华资产评估有限公司) (the “**Valuer**”). As stated in the valuation report prepared by the Valuer dated 19 May 2015 (the “**Valuation Report**”) (also reproduced on the last page of the executive summary of the Valuation Report), the object of the valuation is all shareholders’ equity of Yourun, including its wholly-owned subsidiary Yuehai and its sub-subsidiary Jia Hua, of which Yourun, through Yuehai, has an indirect 51% stake. As at 31 December 2014, the total equity value of Yourun is Renminbi Thirty-Seven Million Five Hundred Ninety-Eight Thousand and Two Hundred (RMB37,598,200) or Singapore Dollars Eight Million One Hundred and Seven Thousand only (S\$8,107,000) (converted based on an exchange rate of S\$1: RMB4.6379 as at 31 December 2014) respectively (based on the asset valuation method). An executive summary of the Valuation Report is set out in Appendix III of this Circular.

2.3.2 The net asset value and the net tangible asset value of the Disposal Capital as recorded in the audited consolidated financial statements of the Disposal Companies for the financial year ended 31 December 2014 (“**FY2014**”) were Renminbi Thirty-Eight Million and Nine Hundred and Fifty Thousand (RMB38,950,000) or Singapore Dollars Eight Million Three Hundred and Ninety-Eight Thousand only (S\$8,398,000) (converted based on an exchange rate of S\$1: RMB4.6379 as at 31 December 2014) respectively.

2.3.3 It is to be noted that the Valuer had previously been commissioned to perform a valuation of the entire registered capital of Yue Hai when the Company had performed a re-organisation of its corporate structure as detailed in the Youcan Circular.

## 2.4 GAIN FROM THE PROPOSED DISPOSAL

Assuming that the Proposed Disposal was completed on 31 December 2014, there will be no gain or loss from the Proposed Disposal.

## 2.5 PRINCIPAL TERMS OF THE SPA

### 2.5.1 Consideration

The aggregate consideration for the Proposed Disposal is an amount in cash equal to the sum of Renminbi Thirty-Eight Million Nine Hundred and Fifty Thousand only (RMB38,950,000) (the “**Consideration**”). The Consideration was arrived at pursuant to the exercise of the Put Option, and is based on the last audited net asset value (being 31 December 2014) of such equity interest of the Disposal Companies as at the date of exercise of the Put Option (i.e. 30 April 2015). For more information on the Put Option and its details, please refer to the letter to shareholders dated 13 March 2012 by Youcan Foods International Limited (as the Company was then known as) (the “**Youcan Circular**”).

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## LETTER TO SHAREHOLDERS

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The Consideration shall be satisfied in the following manner:

- (i) the Purchaser shall release the Company from the agreed debt(s) owing by the Company to the Purchaser and/or its related parties and affiliates, including interest and all such other amounts and/or charges (the “**Outstanding Sum**”) as stipulated in the deed of release to be executed by the Purchaser and the Company (the “**Deed of Release**”); and
- (ii) cash consideration for the remainder sum of the Consideration after taking into account the Outstanding Sum,

provided always that:

- (a) in the event that the Company and the Purchaser are unable to agree on the Outstanding Sum, the Purchaser shall be allowed to offset a principal sum (as determined from the Company’s accounts as at 31 December 2014) against the Consideration; and
- (b) any other alleged debts as owing by the Company to the Purchaser (including interest and all such other amounts and/or charges) shall be dealt with separately and independently of the SPA.

The Consideration is payable to the Company via:

- (i) the duly executed Deed of Release by the Company and the Purchaser; and
- (ii) a cashier’s order made in the Company’s favour, or such other mode of payment as mutually agreed.

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1 Shareholders should note that the Company is as at the date of this Circular unable to ascertain the exact figure of the Outstanding Sum which is unsecured. This is because the interest to be paid by the Company to the Purchaser, a component of the Outstanding Sum, is currently a moving / working figure which will be based on the final interest period, and upon the actual transfer of equity in relation to the Proposed Disposal from the Company to the Purchaser. The interest payable is therefore subject to further change / development. At the moment, the Company and the Purchaser are negotiating on the interest to be paid on the principal sum component of the Outstanding Sum, and the interest rate is accordingly within the range of 13% to 16%. Please however note that the Company and the Purchaser have agreed that interest will be accruing from June 2014 as the Purchaser had previously indicated to the Company that interest will be chargeable for such principal sum upon the exit of Mr Dai Tianrong, the representative of the Purchaser, as the substantial shareholder of the Group following the succession by Mr Zhao Lizhi. In this regard, kindly note that the principal sum is Renminbi Thirty-five Million Three Hundred and Thirty-seven Thousand (RMB35,337,000), which comprises of the following sums:

- (i) Renminbi Eighteen Million Five Hundred and Forty-eight Thousand (RMB 18,548,000) as owing by Yourun to the Purchaser;
- (ii) Renminbi Six Million Seven Hundred and Sixteen Thousand (RMB 6,716,000) as owing by the Company to the Purchaser;
- (iii) Renminbi Four Hundred and Twenty Thousand (RMB 420,000) as owing by the Yourun to You Kang, a related party of the Purchaser;
- (iv) Renminbi Five Million One Hundred and Sixty-five Thousand (RMB 5,165,000) as owing by the Company to China Invest, a related party of the Purchaser; and
- (v) Renminbi Four Million Four Hundred and Forty-eight Thousand (RMB 4,488,000) as owing by the Company to Financing Invest Pte. Ltd., a related party of the Purchaser.

Shareholders should note that (i), (ii), and (iii) above are disclosed in Note 21 of the Company’s financial statements for FY2014 as an aggregate sum of Renminbi Twenty-five Million Six Hundred and Eighty-four Thousand (RMB 25,684,000), while (iv) and (v) are disclosed in Note 24 of the aforementioned financial statements.

Shareholders should also note that there is no collateral/security for the principal sum as disclosed in Note 21 and Note 24 in the Company’s financial statements for FY2014.



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### 2.5.2 Effective Transfer Date

Upon completion of the Proposed Disposal, the Company and the Purchaser agree that the date on which the Proposed Disposal shall be effective, subject to the shareholders' approval of the Company being obtained, shall be 31 December 2014 (the "**Effective Transfer Date**"), or any other date which the Company and the Purchaser may agree upon in writing.

For the avoidance of doubt:

- (i) the Company shall be entitled to all rights, title and interest in the Disposal Capital together with all rights, entitlements and benefits attaching thereto, and shall also be liable for all obligations accruing and/or arising that is payable by Yourun, prior to the Effective Transfer Date; and
- (ii) the Purchaser shall be entitled to all rights, title and interest in the Disposal Capital together with all rights, entitlements and benefits attaching thereto, and shall also be liable for all obligations accruing and/or arising that is payable by Yourun from the Effective Transfer Date (inclusive) and thereafter.

### 2.5.3 Conditions Precedent

The Proposed Disposal is subject to, *inter alia*, the condition precedents having been complied, satisfied or fulfilled (or waived by the Purchaser) on or prior to 31 December 2015 or such other date as the parties may agree in writing that the Company shall procure the approval of the Shareholders for the SPA at an extraordinary general meeting to be convened, as well as the relevant regulatory approval(s) (including but not limited to, SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**"), if any). The Company and the Purchaser had on 2 February 2016 entered into a supplemental agreement pursuant to which it was agreed upon amongst parties, *inter alia*, that completion of the Proposed Disposal shall now take place on 31 March 2016 (or such other date as may be agreed in writing between the parties)

### 2.5.4 Obligations of the parties to the SPA

For the avoidance of doubt:

- (i) the Company's obligations shall be restricted to: (i) the procurement of the necessary regulatory approvals from SGX-ST and ACRA; and (ii) the procurement of the necessary shareholder approval from the shareholders of the Company at an extraordinary general meeting to be held at a date and time to be determined by the directors of the Company; and
- (ii) the Purchaser shall be the Party responsible for registering the Proposed Disposal with the relevant authorities in the PRC.

### 2.5.5 Dispute Resolution

In the event of a dispute or difference arising out of or in connection with the SPA, whether the dispute or difference is contractual or non-contractual in nature (the "**Dispute**"), the Dispute shall be referred to and finally resolved by arbitration in the PRC in accordance with the arbitration rules of the China International Economic and Trade Arbitration Commission ("**CIETAC**") for the time being in force ("**CIETAC Rules**"), which rules are deemed to be incorporated by reference in clause 18 of the SPA therein.

## 2.6 **UNDERTAKINGS FROM MR ZHAO LIZHI, MR CHAN MANG GHOON, AND MS WU XUEYING**

Mr Zhao Lizhi, Mr Chan Mang Ghoon, and Ms Wu Xueying, who are respectively the single largest shareholder, a substantial shareholder, and the Chief Executive Officer and an Executive Director of the Company, have in connection with the Proposed Disposal, provided undertakings each dated 26 October 2015 (the "**Undertakings**") to the Company to vote or procure the voting of any and all direct interest they have in the Company as at the date of the EGM in favour of each resolution to be tabled at the EGM for and in connection with the Proposed Disposal.



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### 2.7 RATIONALE FOR THE PROPOSED DISPOSAL

2.7.1 In deciding whether the Proposed Disposal would be in the best interests of the Company, the Board had considered, *inter alia*, the following:

- (i) it is the Board's intention that moving forward, the primary focus and principal business of the Company shall be its Green Technology Business, under which the Group has secured the following contracts:
  - (a) as announced on 18 July 2014 (Announcement Reference: SG140718OTHRF2RU), Harbin Shengming had been awarded a town planning project in Harbin City, Heilongjiang Province, the PRC ("**Harbin City**") in an area known as Hebai estate, involving sustainable development through the upgrading of an existing housing estate in Harbin City using green architect and green technology (the "**Town Planning Project**"). The outstanding portion of the Town Planning Project, worth approximately Renminbi Fifty-nine Million (RMB 59,000,000), relates to the construction of a car park, which will commence in May 2016 after the winter period, and is expected to be completed by December 2016. The Company has completed approximately 35% of the Town Planning Project as at the date of this Circular. Revenue amounting to approximately Renminbi Thirty-two Million (RMB 32,000,000) had already been recognised by the Company (as announced in the Company's audited accounts for FY2014). Barring any unforeseen circumstances, the remaining revenue for the Town Planning Project is expected to be recognised in FY2016;
  - (b) as announced on 27 February 2015 (Announcement Reference: SG150227OTHR5J2T), Harbin Shengming had also been awarded green technology projects in various areas and residential estates in Harbin City covering a built-up area of approximately 5.3 million square metres (5,300,000 sqm) (the "**Green Technology Projects**"). The said project has since commenced on 12 October 2015 for upgrading work covering an area of 1.32 million square metres (1,320,000 sqm) and is expected to be completed within by end 2016. The value of this portion of the Green Technology Projects is approximately Renminbi Three Hundred and Eight Million (RMB 308,000,000). The Company will undertake a maintenance period of 10 years upon its completion of the aforementioned upgrading work. The Company has completed approximately 21% of the Green Technology Projects as at the date of this Circular. The Company wishes to clarify that revenue for the Green Technology Projects has not been recognised in its latest announced financial statements for HY2015. The Company expects to recognise revenue for the Green Technology Projects in its financial results for FY2015 to FY2026, depending on the stage of completion of the aforementioned upgrading work and the maintenance income over the ten-(10)-year period;
  - (c) as announced on 15 October 2015 (Announcement Reference: SG151015OTHRDBLD), Harbin Shengming had also been awarded a project for the construction of an underground utility tunnel ("**Underground Utility Tunnel Project**") in the Southern Harbin Industrial New Town area and the airport area in Harbin City by the Municipal Government of Harbin City. The total value of the Underground Utility Tunnel Project is estimated to be approximately Renminbi One Billion Five Hundred and Nine Million (RMB 1,509,000,000). The said project will see Harbin Shengming undertaking a construction period of two (2) years and thereafter, an operation period of twenty-five-(25) years. The revenue stream for the Underground Utility Tunnel Project in the next twenty-five-(25) years is expected to be sustainable, and will include total government subsidies of approximately Renminbi Eight Hundred and Eighty Four Million (RMB884,000,000), entrance fees by the service providers, and other operating income. In this regard, as announced on 16 October 2015 (Announcement Reference: SG151016OTHRE6IN), Harbin Shengming had also

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incorporated a wholly-owned subsidiary, HUTCAM, to meet the demands of the Underground Utility Tunnel Project. The Company has completed approximately 4% of the Underground Utility Tunnel Project as at the date of this Circular. The Company wishes to clarify that revenue for the Underground Utility Tunnel Project has not been recognised in its latest announced financial statements for HY2015. The Company expects to recognise revenue for the Green Technology Projects in its financial results for FY2015 to FY2041, depending on the stage of completion of the Underground Utility Tunnel Project and the maintenance income over the twenty-five-(25)-year period;

- (ii) in light of the abovementioned existing projects that the Company had clinched, as well as other projects which in the Company's pipeline, the Company is of the view that the Green Technology Business is a viable one, and can and will be able to generate revenue for the Company both in the short and long term;
- (iii) the Board noted that the profit generated by the Packaging Business had been decreasing yearly, and accordingly, the value of the Packaging Business is likely to decrease in time. As such, the Board is of the view that it is in the interest of the Company that the Disposal Companies were disposed in the exercise of the Put Option such that the Proposed Disposal would yield maximum returns; and
- (iv) the Proposed Disposal will allow the Company to unlock the value in the Group's Packaging Business, which is consistent with the intent of maximising return to the Shareholders. The Proposed Disposal will also allow the Company to re-strategise its financial and capital resources. Upon completion of the Proposed Disposal, the Company will have more working capital for its existing operations, expand into other businesses and undertake new investment opportunities that may arise in future.

2.7.2 Accordingly, the Board believes that the Proposed Disposal is in the best interests of the Company, having regard to the terms of the Proposed Disposal.

### 2.8 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

#### 2.8.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Disposal taken as a whole are set out below. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2014 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Disposal.

#### 2.8.2 Share Capital

The Proposed Disposal has no impact to the Company's issued share capital.

#### 2.8.3 Net Tangible Assets ("NTA")

Assuming that the Proposed Disposal was completed on 31 December 2014 and based on the Group's audited consolidated financial statements for the financial year 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Disposal, the pro forma financial effects of the Proposed Disposal on the consolidated NTA (excluding non-controlling interests) of the Group are as follows:

	As at 31 December 2014	
	NTA of the Group (RMB'000)	NTA per share (RMB cents)
Before the Proposed Disposal	43,360	18.15
After the Proposed Disposal	43,360	18.15

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### 2.8.4 Earnings Per Share (“EPS”)

Assuming that the Proposed Disposal had been completed on 1 January 2014 and based on the Group’s audited consolidated financial statements for the financial year ended 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Disposal, the pro forma financial effects of the Proposed Disposal on the consolidated EPS of the Group are as follows:

	For the financial year ended 31 December 2014	
	Net Profit attributable to the Group (RMB’000)	EPS (RMB cents)
Before the Proposed Disposal	23,382	9.79
After the Proposed Disposal	18,709	7.83

### 2.8.5 Gearing

Assuming that the Proposed Disposal had been completed on 31 December 2014 and based on the Group’s audited consolidated financial statements for the financial year ended 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Disposal, the pro forma financial effects of the Proposed Disposal on the gearing of the Group are as follows:

	As at 31 December 2014		
	Total Debts (RMB’000)	Total Equity (RMB’000)	Gearing Ratio (times)
Before completion of Proposed Disposal	90,666	100,341	0.90
After completion of Proposed Disposal and offsetting the Outstanding Sum from the Consideration	2,113	44,449	0.05

## 2.9 RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

### 2.9.1 Relative figures based on the latest unaudited financial statements of the Group for the half year ended 30 June 2015 (“HY2015”)

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal and based on the latest unaudited financial statements of the Group for HY2015 are as follows:

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Rule 1006	Base	Relative figure computed in accordance with the bases set out in Rule 1006
(a)	The net asset <sup>(1)</sup> value of the assets to be disposed of, compared with the Group's net asset value	100.18%
(b)	The net profits <sup>(2)</sup> attributable to the assets disposed of, compared with the Group's net profits	1,993.2%
(c)	The aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares <sup>(3)</sup>	12.03%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to a disposal of shares.

**Notes:**

- (1) "net asset" means total assets less total liabilities, including non-controlling interests.
- (2) "net profits" means profit or loss before income tax, non-controlling interests and extraordinary items.
- (3) "market capitalisation" is calculated by multiplying the number of shares of the Company (excluding treasury shares) by the volume weighted average price of the Company's shares transacted on 16 October 2015, being the day on which the SPA was signed (after trading hours).

**2.9.2 Relative figures based on the latest unaudited financial statements of the Group for the financial period from 1 January 2015 to 30 November 2015**

The Company is however of the view that it is neither accurate nor meaningful to use the HY2015 financial statements to assess or compute the relative figures on the bases set out by Listing Rule 1006 as the Group's financial results for HY2015 are not reflective of the Group's financials given the seasonality of the Group's Green Technology Business; the first half of the year is traditionally considered a non-peak season for both the Group's Packaging and Green Technology Businesses. This was also disclosed in paragraph 8 of the Company's announcement in relation to its HY2015 financial results. This is largely because most of the projects undertaken are in Harbin City, and it is not possible for any work to be conducted during the harsh winter experienced in the later part of the year in that particular geographical region.

To illustrate, the Company therefore provides the computation of relative figures under Listing Rule 1006 based on the latest unaudited financial statements of the Group for the financial period from 1 January 2015 to 30 November 2015 rather than the HY2015 figures, which is as follows:

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Rule 1006	Base	Relative figure computed in accordance with the bases set out in Rule 1006
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	83.68%
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	48.96%
(c)	The aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	12.00%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to a disposal of shares.

As the relative figures computed above on the basis set out in Rule 1006 of the Listing Manual above exceeds 20%, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is conditional upon the approval of Shareholders at the EGM.

### 2.10 NET DISPOSAL PROCEEDS AND INTENDED USE OF NET DISPOSAL PROCEEDS (AFTER THE SET OFF AS DESCRIBED IN PARAGRAPH 2.5.1 HEREINABOVE) FOR THE PROPOSED DISPOSAL

The net cash proceeds after the set off as described in paragraph 2.5.1 hereinabove from the Proposed Disposal to be received by the Company will be approximately Singapore Dollars Two Million Nine Hundred Forty Six Thousand (S\$2,946,000) converted at an exchange rate of S\$1.00 : RMB4.60251<sup>(1)</sup> (the "**Net Disposal Proceeds**"), and the Net Disposal Proceeds will be used towards the Company's general working capital requirements. A detailed breakdown of the use of Net Disposal Proceeds from the Proposed Disposal is as follows:

S/N	Use of Net Disposal Proceeds	Percentage of Net Disposal Proceeds
1	Payment of trade payables	80%
2	Administrative expenses	20%

**Note:**

(1) Calculated based on S\$ to RMB exchange rate as at 29 January 2016.

### 2.11 IFA

#### 2.11.1 IFA Opinion

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of the Proposed Disposal. The IFA Letter dated 5 February 2016 is reproduced in Appendix I to this Circular.

The following is an extract from Section 6 of the IFA Letter to the Independent Directors and should be read by Shareholders in conjunction with, and in the full context of, the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated:

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*“In arriving at our opinion in respect of the Proposed Disposal, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:*

- (a) *rationale for the Proposed Disposal;*
- (b) *analysis of selected financial information of the Disposal Group;*
- (c) *assessment of the Consideration for the Proposed Disposal;*
- (d) *financial effects of the Proposed Disposal; and*
- (e) *other relevant considerations.*

***Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal (if it had been an Interested Person Transaction) is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.”***

Shareholders are advised to read and consider the IFA Letter for the Proposed Disposal in its entirety as reproduced in Appendix I of this Circular and consider carefully the recommendations of the Independent Directors for the Proposed Disposal set out in paragraph 5.1 of this Circular.

### 2.11.2 Consent of the IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter to the Independent Directors and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

### 2.12 **AUDIT COMMITTEE’S STATEMENT**

Having considered and reviewed, *inter alia*, the terms of the Proposed Disposal, the rationale for and benefits of the Proposed Disposal and the IFA Letter, the Audit Committee is of the view that the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its Independent Shareholders.

## 3. **THE PROPOSED PLACEMENT OF 7,818,000 NEW ORDINARY SHARES**

### 3.1 **THE PLACEMENT AGREEMENTS**

- 3.1.1 On 13 May 2015, the Company announced that it had entered into share placement agreements (the “**Placement Agreements**”) with the employees of the Group (the “**Subscribers**”), pursuant to which the Company proposed to allot and issue and the Subscribers agreed to subscribe for an aggregate of 7,818,000 new ordinary shares (the “**Subscription Shares**”) at S\$0.315 (the “**Subscription Price**”) for each Subscription Share.

#### 3.1.2 Issuance of shares at a discount

Rule 811(1) of the Listing Manual provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement agreements is signed, or, if trading in the issuer’s shares is not available for a full Market Day, the weighted average price must be priced on the trades done on the preceding Market Day up to the time the placement agreement is signed. Rule 811(3) of the Listing Manual however provides that Rule 811(1) is not applicable if specific shareholder approval is obtained for the issue of shares.

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The Subscription Price represents a discount of 10.00% to the weighted average price of S\$0.35 of the Company's ordinary shares for trades done on SGX-ST for the full market day on 13 May 2015, being the date on which the Placement Agreements were signed. The Placement Agreements were entered into after trading hours. The Subscription Price is accordingly compliant with Rule 811 of the Listing Manual.

### 3.1.3 Shareholders' approval

Shareholders' approval is accordingly being sought at the EGM for the Proposed Placement by an ordinary resolution.

## 3.2 GENERAL MANDATE

3.2.1 The Subscription Shares will be allotted and issued pursuant to the general share issue mandate obtained from shareholders of the Company at the annual general meeting of the Company held on 30 April 2015 (the "**General Mandate**").

3.2.2 The Subscription Shares represent approximately 3.27% of the total number of issued shares in the Company as at the date of this Circular.

## 3.3 INFORMATION ON THE SUBSCRIBERS

3.3.1 The Subscribers are employees of the Group. Please refer to Appendix IV to this Circular for the full list of Subscribers and (sorted by) their corresponding number of shares subscribed.

3.3.2 In this regard, the Company emphasises that:

- (i) the Company intended to recognise in general the contributions of employees, regardless of significance, as well as to incentivise employees to work harder for the Group as detailed in paragraph 3.4 hereinbelow, and therefore decided that the employees of the Company would be allowed to be subscribers of the Proposed Placement;
- (ii) the Proposed Placement is a **private, non-recurring and non-exclusive** (i.e. one-time and open to all employees) **ordinary** placement to employees of the Company, and **not an employee share option or share scheme** as under the Listing Rules;
- (ii) the Proposed Placement is **based neither on the performance of nor positions (or seniority) in the Company and/or Group held by the Subscribers**. Many of the Subscribers who are subscribing for larger numbers of Subscription Shares do not hold key or management positions in the Company and/or the Group (for example, Mr Sun Hai Wen, a General Office Assistant, is subscribing for 789,000 Subscription Shares, while Mr Zhang Li Wei, the projects department head, is only subscribing for 145,000 Subscription Shares). The Proposed Placement is not a placement wherein Management restricts the number of shares each employee may subscribe for based on his/her contribution to the Company and/or the Group;
- (iv) the Subscription Shares are **not meant to be a form of remuneration and/or compensation to the Subscribers/employees of the Group for their respective employment services rendered to the Group**; and
- (v) in view of the above, the Company is accordingly of the view that the Proposed Placement is an ordinary placement of shares to placees, who in the current context refers to employees of the Group, and also that the Proposed Placement therefore should not be subject to the imposition of further/additional conditions save for those ordinarily required in an ordinary placement.



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3.3.3 Save for the employment relationship between the Subscribers (individually) with the Group, the Subscribers have no other connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Listing Manual of the SGX-ST.

3.3.4 Under the terms of the Placement Agreements, the Subscribers have represented, warranted and undertaken to and for the benefit of the Company that they are not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers).

### 3.4 RATIONALE AND BENEFIT OF PROPOSED PLACEMENT

3.4.1 The Proposed Placement will provide an opportunity for employees of the Group, the Subscribers, who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company. The Proposed Placement also recognizes the fact that the services of such employees are important to the success and continued well-being of the Group. The Proposed Placement will enable the Company to give recognition to the contributions made by such employees. At the same time, it will give such employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (i) to motivate employees to optimise standards and efficiency and to maintain a high level of performance and contribution;
- (ii) the attraction and retention of employees whose contributions are important to the long-term growth and profitability of the Group;
- (iii) to foster a greater ownership culture within the Group which more directly aligns the interests of key senior management and key talents with the interests of shareholders; and
- (iv) to give recognition to contributions made or to be made by participants by giving the employees a stake in the equity of the Company.

3.4.2 The Proposed Placement will raise gross proceeds of approximately Singapore Dollars Two Million Four Hundred and Sixty-Two Thousand Six Hundred and Seventy only (S\$2,462,670) and these proceeds will be used towards the Company's general working capital requirements as stated in paragraph 3.6 below.

### 3.5 PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

#### 3.5.1 Conditions Precedent

The obligations of the Company and the Subscribers under the Placement Agreements are conditional upon, *inter alia*:

- (a) all necessary approvals and waivers for the issue of the Subscription Shares on the terms and conditions of the Placement Agreements, including but not limited to the approval of shareholders, if required, being obtained and not withdrawn before the Completion Date (as defined therein);
- (b) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST (as defined therein) being obtained from the SGX-ST and such approval not being revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber(s); and
- (c) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in Clause 4 of the Placement Agreements if they were repeated on and as of the Completion Date.



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### 3.5.2 Moratorium

The Subscribers thereby irrevocably and unconditionally undertake that they will not:

- (i) dispose of, realise, transfer, charge, assign or otherwise dispose of any part of his interest in 100% of the Subscription Shares for a period of six (6) months commencing from the Completion Date (the “**Initial Period**”); and
- (ii) dispose of, realise, transfer, charge, assign or otherwise dispose of any part of his interest in 50% of the Subscription Shares for a further period of six (6) months commencing from the Initial Period.

### 3.5.3 Payment Terms

For the purpose therein, the parties of the Placement Agreements thereby irrevocably and unconditionally agree that the payment by the Subscribers of the total subscription price for the Subscription Shares in RMB at a mutually agreed exchange rate of RMB4.5735 : S\$1.00 by bank transfer to an account of Harbin Shengming shall constitute full and final settlement of the total subscription price for the Subscription Shares as set out in Clause 3(b) therein.

## 3.6 NET PLACEMENT PROCEEDS AND INTENDED USE OF NET PLACEMENT PROCEEDS

### 3.6.1 Intended Use

Subject to the fulfilment of all Conditions Precedent, the net cash proceeds from the Proposed Placement to be received by the Company will be approximately Singapore Dollars Two Million Four Hundred and Sixty-Two Thousand Six Hundred and Seventy (S\$2,462,670.00) (the “**Net Placement Proceeds**”), and the Net Placement Proceeds will be used towards the Company’s general working capital requirements. A detailed breakdown of the use of Net Placement Proceeds from the Proposed Placement is as follows:

S/N	Use of Net Placement Proceeds	Percentage of Net Placement Proceeds
1	Payment of trade payables	80%
2	Administrative expenses	20%

### 3.6.2 Utilisation of Net Placement Proceeds

As stated in the Company’s announcement dated 16 September 2015 (Announcement Code: SG150916OTHRBKTU), whilst the Subscription Shares have yet to be issued to the Subscribers, advances from the Subscribers in relation to the Proposed Placement had already been collected, and classified as “other payables” as the Company was of the view that the Proposed Placement would be carried out. The Management therefore took the decision that they would utilise such advances as working capital. In this regard, a portion of the advances have since been utilised for the payment of trade payables and administrative expenses, which is in accordance with the stated use of proceeds as announced by the Company on 13 May 2015. The Management emphasises that in taking this decision, it has as a matter of prudence first procured an undertaking from Mr Zhao Lizhi, the single largest shareholder of the Company, wherein Mr Zhao undertakes to repay such advances or payables in the event that the Proposed Placement does not take place.

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2 In light of the non-materiality of fees incurred in relation to the Proposed Placement, the Net Placement Proceeds are not materially different from the gross proceeds as stated in paragraph 3.4.2 above, and accordingly, would not have material impact on the pro forma financial effects of the Proposed Placement as stated in paragraph 3.7 herein.

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## LETTER TO SHAREHOLDERS

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### 3.7 FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

#### 3.7.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Placement taken as a whole are set out below. The pro forma financial effects have been prepared based on the unaudited consolidated financial statements of the Group for FY2014 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Placement.

#### 3.7.2 Share Capital

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is approximately S\$22,882,399 comprising 238,859,796 ordinary shares. Following the completion of the Proposed Placement, the Company will have an enlarged share capital of approximately S\$25,345,069 comprising 246,677,796 Shares (the “**Enlarged Share Capital**”). The Subscription Shares, when issued, would represent approximately 3.27% of the issued share capital of the Company as of the Latest Practicable Date and would represent approximately 3.17% of the Enlarged Share Capital after the completion of the Proposed Placement.

#### 3.7.3 NTA

Assuming that the Proposed Placement was completed on 31 December 2014 and based on the Group’s audited consolidated financial statements for the financial year 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Placement, the pro forma financial effects of the Proposed Placement on the consolidated NTA (excluding non-controlling interests) of the Group are as follows:

	As at 31 December 2014	
	NTA of the Group (RMB’000)	NTA per share (RMB cents)
Before the Proposed Placement	43,360	18.15
After the Proposed Placement	54,623	22.14

#### 3.7.4 EPS

Assuming that the Proposed Placement had been completed on 1 January 2014 and based on the Group’s audited consolidated financial statements for the financial year ended 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Placement, the pro forma financial effects of the Proposed Placement on the consolidated EPS of the Group are as follows:

	For the financial year ended 31 December 2014	
	Net Profit attributable to the Group (RMB’000)	EPS (RMB cents)
Before the Proposed Placement	23,382	9.79
After the Proposed Placement	23,382	9.48

## LETTER TO SHAREHOLDERS

### 3.7.5 Gearing

Assuming that the Proposed Placement had been completed on 31 December 2014 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Placement, the pro forma financial effects of the Proposed Placement on the gearing of the Group are as follows:

	As at 31 December 2014		
	Total Debts (RMB'000)	Total Equity (RMB'000)	Gearing Ratio (times)
Before completion of Proposed Placement	90,666	100,341	0.90
After completion of Proposed Placement	90,666	111,604	0.81

## 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 4.1 PRIOR TO THE PROPOSED DISPOSAL AND PROPOSED PLACEMENT

The direct and deemed interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) <sup>(1)</sup>	Number of Shares	Shareholding (%) <sup>(1)</sup>
<b>Director(s)</b>				
Zhao Lizhi	67,518,111	28.27	30,000,000	12.56
Wu Xueying	8,360,000	3.50	–	–
<b>Substantial Shareholder(s)</b>				
Zhao Lizhi	67,518,111	28.27	30,000,000	12.56
Li Mingyang	–	–	45,000,000	18.84
Chan Mang Ghoon	16,606,000	6.95	–	–

**Note:**

(1) Calculated based on 238,859,796 Shares in the capital of the Company.

## LETTER TO SHAREHOLDERS

### 4.2 AFTER COMPLETION OF THE PROPOSED DISPOSAL AND PROPOSED PLACEMENT

Assuming that the Proposed Disposal and Proposed Placement are completed, the effects of the Proposed Disposal and Proposed Placement on the shareholding structure of the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) <sup>(1)</sup>	Number of Shares	Shareholding (%) <sup>(1)</sup>
<b>Director(s)</b>				
Zhao Lizhi	67,518,111	27.37	30,000,000	12.16
Wu Xueying	8,360,000	3.39	–	–
<b>Substantial Shareholder(s)</b>				
Zhao Lizhi	67,518,111	27.37	30,000,000	12.16
Li Mingyang	–	–	45,000,000	18.24
Chan Mang Ghoon	16,606,000	6.73	–	–

**Note:**

(1) Calculated based on the Enlarged Share Capital of 246,677,796 Shares in the capital of the Company.

### 4.3 DISCLOSURE OF INTERESTS

Save for Mr Li Bin's 4% shareholding and directorship in You Kang as disclosed in paragraph 1.1.7 hereinabove, none of the Directors, Substantial Shareholders, or their respective Associates have any interest, direct or indirect, in the Proposed Disposal and/or the Proposed Placement, other than through their respective shareholdings in the Company.

## 5. APPROVALS AND DIRECTORS' RECOMMENDATIONS

### 5.1 PROPOSED DISPOSAL

Save for Mr Li Bin, in view of his interests in the Proposed Disposal, the remaining Directors, having considered and reviewed, *inter alia*, the terms of the Proposed Disposal, the rationale for and benefits of the Proposed Disposal and the IFA Letter, are of the view that the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its Independent Shareholders. Accordingly, the Directors (other than Mr Li Bin, in view of his interests in the Proposed Disposal) recommend that Shareholders vote in favour of the ordinary resolution pertaining to the Proposed Disposal to be proposed at the forthcoming EGM.

### 5.2 PROPOSED PLACEMENT

Having considered, *inter alia*, the terms, the rationale and the benefits of the Proposed Placement, the Directors are of the view that the Proposed Placement is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution pertaining to the Proposed Placement to be proposed at the forthcoming EGM.

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## LETTER TO SHAREHOLDERS

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### 5.3 **DISCLAIMER**

The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

### 6. **EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 55 of this Circular, will be held on 23 February 2016 at 10:00am at RELC International Hotel, 30 Orange Grove Road, Singapore 258352, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the aforementioned notice.

### 7. **ACTIONS TO BE TAKEN BY SHAREHOLDERS**

7.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at 9 Temasek Boulevard Suntec City Tower 2 #09-01 Singapore 038989 not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form(s) will be deemed to be revoked.

7.2 A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

### 8. **ABSTENTION FROM VOTING**

8.1 Shareholders who are interested in the Proposed Disposal and the Proposed Placement should abstain from voting on the respective ordinary resolution in which they are interested, and should not accept appointments as proxies to vote on such ordinary resolution, unless they as proxies are given specific instructions as to voting.

8.2 In particular, Mr Li Bin will, and will procure his Associates to, abstain from voting on the ordinary resolution relating to Proposed Disposal at the EGM in respect of his shareholdings in the Company and shall not accept nominations as proxies or otherwise for voting on the aforementioned resolution.

### 9. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

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## LETTER TO SHAREHOLDERS

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### 10. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection during normal business hours at the registered office of the Company at 9 Temasek Boulevard Suntec City Tower 2 #09-01 Singapore 038989 from the date hereof up to and including the date of the EGM:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the SPA and the supplemental agreement dated 2 February 2016;
- (iii) the Deed of Release;
- (iv) the Undertakings;
- (v) the Placement Agreements; and
- (vi) the Independent Auditor's Report.

Yours faithfully  
for and on behalf of the Board of Directors of  
**GREEN BUILD TECHNOLOGY LIMITED**

**WU XUEYING**  
Chief Executive Officer and Executive Director

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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### PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)  
(Incorporated in the Republic of Singapore)  
96 Robinson Road #13-01 SIF Building  
Singapore 068899

5 February 2016

To: The Independent Directors of Green Build Technology Limited  
(deemed to be independent in respect of the Proposed Disposal)

Mr Zhao Lizhi	(Non-Executive Chairman)
Ms Wu Xueying	(Chief Executive Officer and Executive Director)
Mr Yao Fengge	(Independent Director)
Mr Lu King Seng	(Independent Director)
Mr Kuan Cheng Tuck	(Independent Director)

Dear Sirs/Madam,

### THE PROPOSED DISPOSAL OF THE PACKAGING BUSINESS

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company (“Shareholders”) dated 5 February 2016 (“Circular”).*

#### 1. INTRODUCTION

1.1 On 30 April 2015, the Board of Directors (“Board” or “Directors”) of Green Build Technology Limited (formerly known as Youyue International Limited) (“Company”) announced that it had on the same date exercised the put option (“Put Option”) to dispose of the packaging business of the Group (“Packaging Business”). The Packaging Business is carried out by the Company’s wholly-owned subsidiary, Yourun Packaging Technology (Hangzhou) Co., Ltd (“Yourun”), Yourun’s 51.0%-owned subsidiary, Yue Hai Color Printing and Packaging Co., Ltd (“Yuehai”) and Yuehai’s wholly-owned subsidiary, Jia Hua Packaging and Printing Co., Ltd. (“Jiahua”) (collectively referred to as the “Disposal Group” and each a “Disposal Group Company”).

1.2 By way of background, the Put Option was granted to the Company by Youcan Foods (Hangzhou) Co., Ltd (“Hangzhou Youcan”) on 1 November 2011 pursuant to which the Company may at its sole discretion require Hangzhou Youcan or its nominee(s) to purchase the Packaging Business. The Put Option was granted to the Company as at that time the Company was carrying out a reorganisation to rationalise its corporate structure along functional business lines, that is, the food business to be held under Hangzhou Youcan and the Packaging Business to be held under Yourun. The reorganisation was a precursor to and facilitated the eventual divestment of the loss making food business held under Hangzhou Youcan to the then controlling shareholder of the Company while the profitable Packaging Business was retained by the Company.

At the time of the proposed divestment of the loss-making food business, the Company also announced that the Group may subsequently pursue other business opportunities which may require the divestment of the Packaging Business. The Company then procured Hangzhou Youcan to grant the Put Option to the Company. This is to provide the Company with the flexibility of having a ready buyer for the duration of the Put Option should the Company decide to divest the Packaging Business. The Put Option would have expired on 30 April 2014 but was extended by Hangzhou Youcan to 30 April 2015. On 30 April 2015, the Company exercised the Put Option.

1.3 At the time of the grant of the Put Option to the Company, Mr Dai Tianrong was the Non-Executive Chairman and Director and a controlling shareholder of the Company. The exercise of the Put Option would constitute an interested person transaction (“Interested Person

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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**Transaction**) between the Company and Hangzhou Youcan as following the divestment of Hangzhou Youcan, Hangzhou Youcan would be held by entities which are majority owned by Mr Dai Tianrong, who was deemed an interested person under Chapter 9 of the Listing Manual (**“Interested Person”**).

To ensure that the exercise of the Put Option would be in the best interests of the Company, the Company had then committed to carry out the following prior to the exercise of the Put Option:

- (i) procure an independent valuation of the Packaging Business for the Board’s consideration;
- (ii) the Board would seek and obtain the approval of the Audit Committee for the exercise of the Put Option, and the Audit Committee shall consider, *inter alia*, such independent valuation and the terms of any other *bona fide* offers for the Packaging Business; and
- (iii) obtain Independent Shareholders’ approval for the exercise of the Put Option and an independent financial adviser to advise the Independent Directors and Independent Shareholders as to, *inter alia*, whether the exercise of the Put Option would constitute a transaction on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The above steps are in line with the requirements under Chapter 9 of the Listing Manual governing interested person transactions between the Company and its interested persons.

As Mr Dai Tianrong is no longer a Director or a controlling shareholder of the Company, the exercise of the Put Option would not be considered as an Interested Person Transaction and the requirements under Chapter 9 of the Listing Manual would not be applicable to the Company in this instance. Notwithstanding that the exercise of the Put Option is not deemed an Interested Person Transaction, the Company has decided to proceed with the steps that it had committed as stated in Section 1.3 above.

- 1.4** To follow through with the exercise of the Put Option, on 16 October 2015, the Company announced that it had entered into a sale and purchase agreement (**“SPA”**) with Hangzhou Youcan (**“Purchaser”**), to dispose of its entire 100.0% shareholding interest in Yourun for a consideration of RMB38,950,000 (**“Consideration”**) which is based on the last audited net asset value (**“NAV”**) of Yourun as at 31 December 2014.

The Consideration will be satisfied by (a) set off against the agreed debts owing by the Company to the Purchaser and/or its related parties and affiliates, including interest and all such other amounts and/or charges (**“Outstanding Sum”**); and (b) the remaining balance in cash. As the Yourun Group does not have any significant intangible assets, its NAV is similar to its net tangible assets (**“NTA”**).

- 1.5** Based on the Group’s latest audited accounts for the financial year ended 31 December 2014 (**“FY2014”**), the Group’s audited NAV and NTA attributable to equity holders of the Company is approximately RMB44.45 million and RMB43.36 million as at 31 December 2014 respectively. The Consideration for the Proposed Disposal of RMB38.95 million represents approximately 87.6% and 89.8% of the latest audited NAV and NTA of the Group respectively.

Pursuant to Chapter 10 of the Listing Manual, the Proposed Disposal is considered as a major disposal and therefore subject to the approval of Shareholders at an extraordinary general meeting (**“EGM”**) to be convened.

- 1.6** Mr Li Bin, an Executive Director of the Company, is a director of You Kang Foods Holdings Co., Ltd (**“You Kang”**), the controlling shareholder of the Purchaser. Mr Li Bin also owns a 4.0% shareholding interest in You Kang. As such, Mr Li Bin is deemed to be interested in the Proposed Disposal. Accordingly, Mr Li Bin will, and will procure his associates to, abstain from voting on the Proposed Disposal in respect of their shareholdings in the Company and will not



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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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accept nominations as proxies or otherwise for voting on the resolution relating to the Proposed Disposal.

For the avoidance of doubt, the Purchaser and Mr Li Bin do not own any shares in the Company (“**Shares**”). Save for the above, the Purchaser has no further connection with the Company, its Directors and substantial shareholders.

Therefore, on the assumption that none of the Purchase or Mr Li Bin’s associates own any Shares, then all the Shareholders are deemed as independent (“**Independent Shareholders**”) in respect of the Proposed Disposal (if it had been an Interested Person Transaction). As mentioned in paragraph 1.3 above, the Proposed Disposal will not be considered as an Interested Person Transaction as the Purchaser is no longer an Interested Person.

- 1.7 In accordance with paragraph 1.3 above, Provenance Capital Pte. Ltd. (“**Provenance Capital**”) has been appointed as the independent financial adviser (“**IFA**”) to render an opinion on whether the Proposed Disposal (if it had been an Interested Person Transaction) is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.
- 1.8 As stated in paragraph 1.6 above, Mr Li Bin is deemed to be interested in the Proposed Disposal. Save for Mr Li Bin who will abstain from making any recommendation on the Proposed Disposal as a Director of the Company, the remaining Directors, namely, Mr Zhao Lizhi, Ms Wu Xueying, Mr Yao Fengge, Mr Lu King Seng and Mr Kuan Cheng Tuck are deemed independent in respect of the Proposed Disposal (“**Independent Directors**”).
- 1.9 This letter (“**Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and opinion on the Proposed Disposal. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Disposal and the recommendation of the Independent Directors thereon.

### 2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Independent Directors in respect of the Proposed Disposal. We are not and were not involved or responsible, in any aspect, of the negotiations in relation to the Proposed Disposal nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Disposal, and we do not, by this Letter, warrant the merits of the Proposed Disposal other than to express an opinion on whether the Proposed Disposal (if it had been an Interested Person Transaction) is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Disposal or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the sole responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and Management and/or their professional advisers and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and the professional advisers of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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any responsibility for the accuracy, completeness or adequacy of such information or representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries, to the best of their respective knowledge and belief, information and representations as provided by the Directors and Management are accurate and have confirmed to us that, upon making all reasonable enquiries and to their best knowledge and beliefs, all material information available to them in connection with the Proposed Disposal, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Disposal, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Disposal have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Proposed Disposal, the Company and the Group that we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 29 January 2016, being the Latest Practicable Date as referred to in the Circular.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Disposal. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the Proposed Disposal or if the Proposed Disposal is not effected.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Disposal Group, the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Disposal Group, the Company and/or the Group.

In connection with the Proposed Disposal, following the exercise of the Put Option on 30 April 2015, the Company had commissioned an independent business valuation of Yourun. We have been furnished with the valuation report on Yourun dated 19 May 2015 (“**Valuation Report**”) by Zhejiang Zhong Qi Hua Appraisal Co., Ltd (浙江中企华资产评估有限公司) (“**Valuer**”), being the independent valuer appointed by the Company to value Yourun in connection with the Proposed Disposal. We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Report.

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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Our view as set out in this Letter is based upon the market, economic, industry, monetary and other conditions (if applicable) prevailing as of the Latest Practicable Date and the information provided and representations provided to us as of the Latest Practicable Date. In arriving at our view, with the consent of the Directors or the Company, we have taken into account certain other factors and have been required to make certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to Proposed Disposal which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Independent Shareholder or any specific group of the Independent Shareholders. As each Independent Shareholder would have different investment objectives and profiles, we recommend that any individual Independent Shareholder or group of the Independent Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes other than for the purposes of the Shareholders' resolution in relation to the Proposed Disposal at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter for the use of the Independent Directors in connection with their consideration of the Proposed Disposal and their advice to the Independent Shareholders arising thereof. The recommendations made to the Independent Shareholders in relation to the Proposed Disposal remain the sole responsibility of the Independent Directors.

**Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this Letter and the Circular.**

### 3. THE PROPOSED DISPOSAL

Details of the Proposed Disposal are set out in Section 2 of the Circular. The salient terms of the SPA are set out below:

#### 3.1 Overview

The Proposed Disposal involves the disposal to Hangzhou Youcan of the Company's entire interests in the Disposal Group Companies which are engaged in the Packaging Business. The Disposal Group comprises the following Disposal Group Companies which are all registered in the People's Republic of China ("PRC"):

- (a) Yourun which is 100.0% owned by the Company;
- (b) Yuehai, which is a 51.0%-owned<sup>(1)</sup> subsidiary of Yourun; and
- (c) Jiahua, which is a wholly-owned subsidiary of Yuehai.

**Note:**

- (1) The remaining 49.0% shareholding interests are held by some ten (10) management personnel of Yuehai.

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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The Disposal Group has been engaged in the manufacture and sale of flexible packaging products since the Group's acquisition in December 2007. The business operations of the Packaging Business are principally located in Haining City, Zhejiang Province, PRC. The Packaging Business is primarily engaged in business-to-business sales and its customers comprise mainly food and consumer products which require flexible packaging materials.

Pursuant to the SPA, the Proposed Disposal is to be carried out by way of the sale of the Company's 100.0% of the registered capital of Yourun of US\$1.5 million to Hangzhou Youcan.

### 3.2 The Consideration

The Consideration for the Proposed Disposal is RMB38.95 million based on the latest audited NAV of the Disposal Group as at 31 December 2014. As the Disposal Group has minimal intangible assets of RMB10,050, the NAV of the Disposal Group is similar to its NTA.

Pursuant to the terms of the Put Option, if the Put Option is exercised, Hangzhou Youcan (or its nominee(s)) would be required to acquire the Packaging Business based on the prevailing NAV of such equity interest as at the date of exercise of the Put Option, as derived from the Group's latest audited financial statements at the time of the exercise. The latest audited financial statements of the Group is for the financial year ended 31 December 2014.

The Consideration will be satisfied by (a) set off against the Outstanding Sum; and (b) the remaining balance in cash. The final amount of the Outstanding Sum is to be stipulated in the deed of release to be executed by the Purchaser and the Company nearer to the time of completion of the Proposed Disposal. Further details on the settlement of the Consideration is set out in paragraph 2.5.1 of the Circular.

### 3.3 Conditions Precedent

Completion of the Proposed Disposal is subject to, *inter alia*, the approval of the Independent Shareholders of the Company at the EGM. Details of the conditions precedent for the Proposed Disposal are set out in paragraph 2.5.3 of the Circular.

### 3.4 Completion Date and Effective Transfer Date

Completion of the Proposed Disposal is to take place on or before 31 December 2015 (or on such other date that the parties may agree in writing. However, subject to the fulfilment of the conditions precedent for the Proposed Disposal, the Company and the Purchaser have agreed for the Proposed Disposal to take effect from 31 December 2014 ("**Effective Transfer Date**") or any other date which the parties may agree in writing.

## 4. INFORMATION ON THE GROUP

### 4.1 Overview

The Company was incorporated in Singapore on 6 February 2004 as the holding company of the Group. The Company is listed on the Main Board of the SGX-ST. It was formerly known as Youcan Foods International Limited before it changed its name to Youyue International Limited on 2 August 2012 following the divestment of the Food Business. It assumed its present name, Green Build Technology Limited, on 3 October 2014 following the acquisition in June 2014 of the companies ("**New Subsidiaries**") which are principally engaged in project-based activities involving energy conservation services and sustainable developments ("**Green Technology**").

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 238,859,796 Shares. Based on the last transacted Share price of S\$0.40 and the outstanding issued Shares as at the Latest Practicable Date, the market capitalisation of the Company is approximately S\$94.54 million.

## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

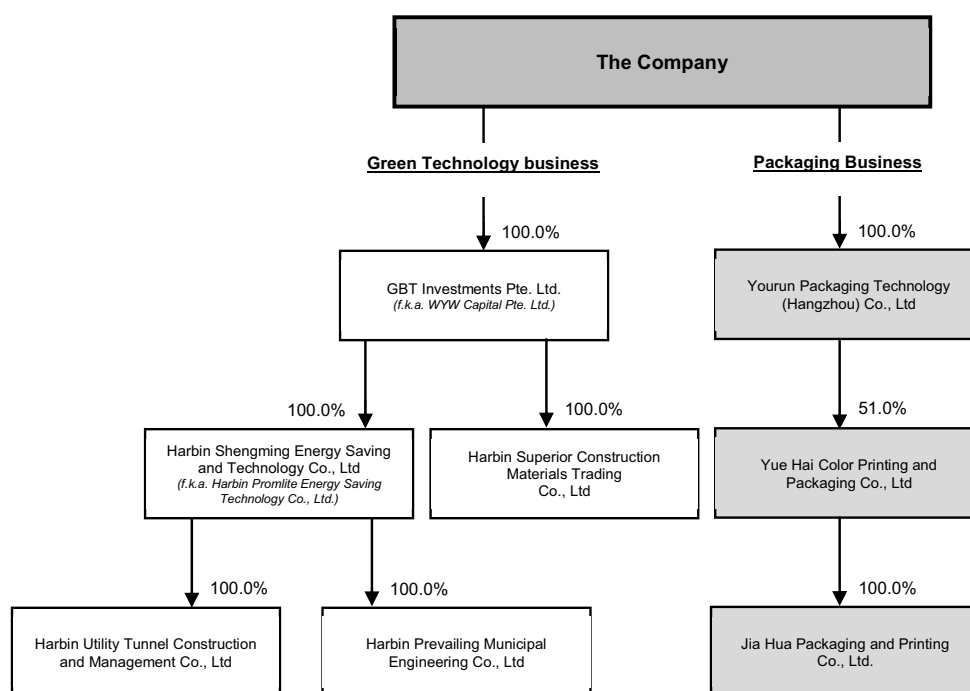
Following the acquisition of the New Subsidiaries in June 2014, the Group is engaged in two business segments, that is, the Packaging Business and the Green Technology Business. It is the Board's intention that moving forward, the primary focus and principal business of the Group shall be its Green Technology Business. The Board noted that the profit generated from the Packaging Business had been steadily decreasing yearly and accordingly the value of the Packaging Business is expected to decrease in time. The Board is therefore of the view that the Proposed Disposal is in the interest of the Company.

Despite the Put Option being a public knowledge, there has not been any offers made to the Company for the purchase of the Packaging Business or any part thereof. Hence, the exercise of the Put Option ensures that there is a purchaser for the Packaging Business.

The Proposed Disposal is subject to, *inter alia*, approval by Shareholders at the EGM. In this regard, (a) Mr Zhao Lizhi, the controlling shareholder of the Company; (b) Mr Chan Mang Ghoo, a substantial shareholder of the Company; and (c) Ms Wu Xueying, the Chief Executive Officer and an Executive Director of the Company, who have an aggregate deemed shareholding interest of 51.28% of the issued Shares, had provided undertakings to the Company to vote in favour of the Proposed Disposal at the EGM.

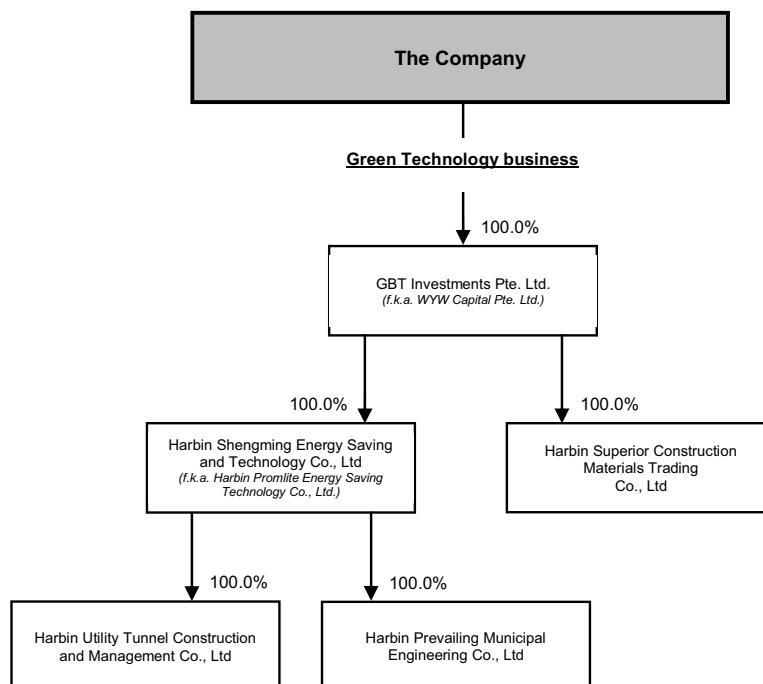
### 4.2 Group Structure

The group structure before the Proposed Disposal is as follows:



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The group structure after the Proposed Disposal is as follows:



### 4.3 Financial information of the Group

A comparison of the key financial information of the Group and the Disposal Group for FY2014 is set out below for your reference:

#### *Income Statement for FY2014*

RMB'000	Group	Disposal Group
Revenue	289,651	259,102
Gross profit	45,005	38,142
Other operating income	33,948	7,379
Profit after tax	28,399	9,876
<b>Net profit for the year attributable to:</b>		
Owners of the Company	23,382	4,673
Non-controlling interests	5,017	5,203
	28,399	9,876

#### *Balance Sheet as at 31 December 2014*

RMB'000	Group	Disposal Group
Non-current assets	96,758	92,366
Current assets	229,229	175,858
<b>Total assets</b>	325,987	268,224

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RMB'000	Group	Disposal Group
Current liabilities	222,829	169,475
Non-current liabilities	2,817	2,762
<b>Total liabilities</b>	<b>225,646</b>	<b>172,237</b>
Equity attributable to owners of the Company	44,449	38,950
Non-controlling interests	55,892	57,037
<b>Total equity</b>	<b>100,341</b>	<b>95,987</b>

**Source:** *The Company's annual report for FY2014 with respect to the financial information of the Group and from Management for the financial information of the Disposal Group*

While the NAV of the Disposal Group of RMB38.95 million accounted for approximately 87.6% of the NAV of the Group of RMB44.45 million as at 31 December 2014, the attributable net profit of the Disposal Group of RMB4.67 million accounted for only approximately 20.0% of the total attributable net profit of the Group of RMB23.38 million for FY2014.

Further analysis of the financial information of the Disposal Group is set out in paragraph 5.2 of this Letter.

### 5. EVALUATION OF THE PROPOSED DISPOSAL

In our evaluation of the Proposed Disposal, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for the Proposed Disposal;
- (b) analysis of selected financial information of the Disposal Group;
- (c) assessment of the Consideration for the Proposed Disposal;
- (d) financial effects of the Proposed Disposal; and
- (e) other relevant considerations.

#### 5.1 Rationale for the Proposed Disposal

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Disposal or the future prospects of the Group after the Proposed Disposal. Nevertheless, we have reviewed the rationale for the Proposed Disposal. The full text of the rationale for the Proposed Disposal is set out in paragraph 2.7 of the Circular.

We note that it is the Board's intention that moving forward, the primary focus and principal business of the Group shall be its Green Technology Business. The Board noted that the profit generated from the Packaging Business had been steadily decreasing yearly and accordingly the value of the Packaging Business is expected to decrease in time. The Board is therefore of the view that the Proposed Disposal is in the interest of the Company.

#### 5.2 Analysis of selected financial information of the Disposal Group

As the Consideration for the Proposed Disposal is based on the NAV of the Disposal Group as at 31 December 2014 and the Effective Transfer Date is also 31 December 2014, it is pertinent to analyse the financial information of the Disposal Group up to 31 December 2014.



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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED DISPOSAL

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We understand from the Management that Yourun’s financials are not presented as consolidated accounts with Yuehai and Jiahua as there was no requirement for Yourun to do so as a company registered in the PRC and also Yourun, being an intermediate holding company, does not prepare consolidated financial statements. For the purpose of the Proposed Disposal, Management had prepared the historical consolidated financial performance and consolidated financial position of the Disposal Group for the last 3 financial years ended 31 December 2014.

In addition, as the Consideration for the Proposed Disposal is to be based on audited NAV of the Disposal Group as at 31 December 2014, the Company had commissioned Ernst & Young Hua Ming LLP (“**Auditors**”) to audit and express an opinion on the consolidated statement of financial position of Yourun as at 31 December 2014. The consolidated statement of financial position of Yourun has been prepared in accordance with the relevant International Financial Reporting Standards in relation to the preparation of the statement of financial position. An extract of the report from the Auditors is attached as Appendix II to the Circular.

In the opinion of the Auditors, they are of the opinion that the statement of financial position of the Disposal Group as at 31 December 2014, *inter alia*, fairly presents the financial condition of the Disposal Group as at 31 December 2014.

- 5.2.1** For the purpose of the Proposed Disposal, Management has prepared and provided us with the unaudited financial results of the Disposal Group for the last three financial years ended 31 December 2012 (“**FY2012**”), 31 December 2013 (“**FY2013**”) and 31 December 2014 (“**FY2014**”) for our analysis. A summary of the unaudited profit and loss statements of the Disposal Group for the last three financial years is set out below:

<b>RMB’000</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Revenue	242,448	245,418	259,102
Gross profit	42,214	37,827	38,142
Profit after tax	13,547	9,958	9,876
<b>Net profit attributable to owners of the parent</b>	<b>6,101</b>	<b>4,671</b>	<b>4,673</b>

*Source: Management*

### Review of Operating Results of the Disposal Group

#### *FY2013 vs FY2012*

The Disposal Group’s sales increased slightly by 1.2% from RMB242.45 million in FY2012 to RMB245.42 million in FY2013 due mainly to increased sales to the new markets in northern China and increased sales in semi-finished products.

However, the Disposal Group’s gross profit decreased by 10.4% in FY2013 as gross profit margin decreased from 17.4% in FY2012 to 15.4% in FY2013 due to higher sales mix of semi-finished products which commanded lower gross margins and higher labour costs in FY2013.

As a result, profit after tax decreased by 26.5% from RMB13.55 million in FY2012 to RMB9.96 million in FY2013. Likewise, profit attributable to owners of the parents decreased accordingly in FY2013.

#### *FY2014 vs FY2013*

The Disposal Group’s sales increased by 5.6% from RMB245.42 million in FY2013 to RMB259.10 million in FY2014 due mainly to higher sales in semi-finished products as customers became more price-sensitive in view of the competitive consumer products markets.

However, the Disposal Group’s gross profit increased marginally by 0.8% in FY2014 as a result of higher revenue even as gross profit margin decreased from 15.4% in FY2013 to 14.7% in



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FY2014 due to higher sales mix of semi-finished products which commanded lower gross margins.

Profit after tax and profit attributable to owners of the parents remained relatively flat in FY2014.

**5.2.2** A summary of the audited consolidated statement of financial position of the Disposal Group as at 31 December 2014 is set out below:

RMB'000	As at 31 December 2014
Property, plant and equipment	76,482
Land use rights	12,740
Intangible assets	10
Prepayments	1,413
Other investments	996
Deferred tax assets	725
<b>Total non-current assets</b>	<b>92,366</b>
Inventories	25,863
Trade receivables	86,536
Bills receivable	30,699
Other receivables and prepayment	18,784
Cash and cash equivalents	13,976
<b>Total current assets</b>	<b>175,858</b>
Interest-bearing bank borrowings	(78,900)
Trade and bills payables	(58,044)
Other payables and accruals	(31,458)
Income tax payable	(1,073)
<b>Total current liabilities</b>	<b>(169,475)</b>
Deferred tax liabilities	(2,762)
<b>Total non-current liabilities</b>	<b>(2,762)</b>
<b>Net assets</b>	<b>95,987</b>
Issued capital	9,598
Contributed reserves	(22,179)
Reserve	7,916
Retain earnings	43,615
<b>Equity attributable to owners of the parent</b>	<b>38,950</b>
<b>Non-controlling interests</b>	<b>57,037</b>
<b>Total</b>	<b>95,987</b>

*Source: Appendix II to the Circular*

### Review of Financial Position of the Disposal Group

The Disposal Group had total assets of RMB268.22 million as at 31 December 2014, comprising non-current assets of RMB92.37 million (34.4%) and current assets of RMB175.86 million (65.6%). The main non-current assets pertain to property, plant and equipment of RMB76.48 million (82.8%) and land use rights of RMB12.74 million (13.8%).

Total current assets of RMB175.86 million comprise mainly trade receivables of RMB86.54 million (49.2%), bills receivable (17.5%) and inventories of RMB25.86 million (14.7%).

The Disposal Group had total liabilities of RMB172.24 million as at 31 December 2014 comprising mainly current liabilities of RMB169.48 million (98.4%). Total current liabilities of RMB169.48 million comprise mainly interest-bearing bank borrowings of RMB78.90 million (46.6%), trade and bills payables of RMB58.04 million (34.2%) and other payables and accruals of RMB31.46 million (18.6%).

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The NAV (excluding non-controlling interests) of the Disposal Group of RMB38.95 million as at 31 December 2014 is close to the NTA (excluding non-controlling interests) of the Disposal Group of RMB38.94 million as at 31 December 2014 due to the small intangible assets of RMB10,050.

- 5.2.3** Since the announcement of the exercise of the Put Option and up to the Latest Practicable Date, the Company has announced its interim results for the six-month period ended 30 June 2015 (“HY2015”). The Company had also provided us with the HY2015 results of the Disposal Group. We note that the Disposal Group had reported net profit attributable to owners of the parent of RMB2.05 million on revenue of RMB112.99 million which represented approximately 44.0% of the full year results of the Disposal Group for FY2014. The profit achieved during HY2015 had contributed to a slight increase in the NAV of the Disposal Group of RMB41.0 million as at 30 June 2015.

We note that during HY2015, the Disposal Group was the sole revenue contributor to the Group’s results as there was no revenue contribution from the Green Technology business during HY2015. The Company had explained in its HY2015 results that work on the projects for the Green Technology business is only expected to commence and/or continue in August 2015 given some delay in obtaining the government approvals and the long winter season in Harbin city in China. As a result, the Group recorded a net loss attributable to equity holders of the Company of RMB3.15 million for HY2015 compared to a smaller loss of RMB0.39 million in HY2014.

Whilst the Disposal Group had contributed to a smaller proportion of the Group’s net profit for FY2014, for HY2015, as a result of the above development, the Disposal Group had helped to alleviate the losses of the Group. However, it should be noted that as the Effective Transfer Date is 31 December 2014, if the Proposed Disposal proceed to Completion, the Group would not be able to recognise the profits achieved by the Disposal Group for the financial year ended 31 December 2015.

### **5.3 Assessment of the Consideration for the Proposed Disposal**

#### **5.3.1 Financial information of the Disposal Group**

Our evaluation below is made with reference to the financial information on the Disposal Group as set out in paragraph 5.2 of this Letter.

##### ***Price earnings ratio (“PER”)***

PER illustrates the valuation ratio of the current market value of a company’s shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

For our analysis, the PER of the Disposal Group as implied by the Consideration based on the net profit attributable to the owners of the parent of RMB4.67 million of the Disposal Group for FY2014 is 8.34 times.

##### ***Price-to-NTA ratio (“P/NTA”)***

NTA based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations. It is also appropriate in situations where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

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The NTA based approach is also meaningful to show the extent to which the value of the Disposal Group is backed by tangible assets.

In this regard, we note that the Consideration for the Proposed Disposal is based on the NAV of the Disposal Group of RMB38.95 million as at 31 December 2014. The Consideration is therefore approximately on par with the NTA of the Disposal Group, the difference due to the small intangible asset of RMB10,050.

### 5.3.2 Valuation of the Disposal Group

In connection with the Proposed Disposal, the Company had commissioned the Valuer, Zhejiang Zhong Qi Hua Appraisal Co., Ltd. (浙江中企华资产评估有限公司) to carry out a valuation of the entire issued share capital of Yourun. As stated in the Valuation Report prepared by the Valuer dated 19 May 2015, the fair market value of the entire issued share capital of Yourun was RMB37,598,200 as at 31 December 2014 (“**Valuation**”). As pointed out in paragraph 5.2 of this Letter, Yourun’s financials are not presented as consolidated accounts with Yuehai and Jiahua as there was no requirement for Yourun to do so as a company registered in the PRC. Nonetheless, we understand that the Valuer had taken into consideration Yourun’s interests in Yuehai and Jiahui, and the audited financial statements of Yourun, Yuehai and Jiahui in arriving at the Valuation for Yourun.

The Valuer had used the asset-based approach in the valuation of Yourun as Yourun is an investment holding company with no substantive business, and it considered both the asset-based approach and income approach in the valuation of Yuehai and Jiahua before concluding that the income approach is more appropriate for Yuehai and Jiahua.

The Valuer had explained the different valuation methodologies and its conclusion on the choice of methodology as follows:

*“Asset-based approach and Income Approach are used for subsidiary and sub-subsidiary companies which are YUEHAI COLOUR PRINTING AND PACKAGING CO.,LTD. and HAINING JIAHUA PACKAGING CO.,LTD. respectively. The reasons for difference between these two methods are as follows: the results from Asset-based approach reflect the business based on the replacement value of existing assets while Income approach takes into consideration the future profitability of the enterprises as a whole. Based on the purpose of this valuation, parties in an equity transfer transaction are not only concerned about the value of the summation of each single asset, but are more concerned about the future profitability and growth potential of the evaluated companies. As such, the results of Income Approach are more objective and rational. After analysis and comparison, the results of Income Approach are used as the basis for the final conclusion in the determination of the fair value of the subsidiary and sub-subsidiary companies.”*

An extract of the Valuation Report is set out in Appendix II to the Circular.

**Based on the above, the Consideration represents a premium of 3.6% above the Valuation of the Disposal Group as at 31 December 2014.**

### 5.3.3 Comparison of valuation ratios of selected listed companies whose businesses are broadly comparable to the Disposal Group

For the purpose of assessing the Consideration for the Proposed Disposal, we have considered companies whose businesses are broadly comparable with the Disposal Group. As the Disposal Group is principally engaged in the manufacture and sale of flexible packaging products, we have considered companies that are engaged in the packaging industry, and which are also listed and traded on the SGX-ST to be considered as broad proxies to the Disposal Group (“**Comparable Companies**”). For a more meaningful comparison, we have excluded companies with market capitalisation of more than S\$100 million.

We have had discussions with the management of the Company about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with

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the Disposal Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The selected Comparable Companies' accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Disposal Group.

We wish to highlight that the selected Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Disposal Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the selected Comparable Companies, as extracted from Bloomberg L.P. is set out below:

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Company	Principal business
Tat Seng Packaging Group Ltd ("Tat Seng")	Tat Seng designs, manufactures, and sells corrugated paper packaging products such as corrugated boards and cartons for the packaging of electronics and electrical, food, pharmaceutical and other products according to customers' specifications.
Full Apex Holdings Ltd ("Full Apex")	Full Apex manufactures and sells polyethylene terephthalate (PET) bottles, shrink film and corrugated paper packaging products.
Southern Packaging Group Ltd ("Southern Packaging")	Southern Packaging manufactures and sells flexible and rigid packaging products for the pharmaceutical, food and beverage and personal care industries.
China Flexible Packaging Holdings Ltd ("China Flexible Packaging")	China Flexible Packaging manufactures and sells Biaxially Oriented Polypropylene (BOPP) film in China. The company's products include high shrinkage film and low shrinkage film.

**Source:** Bloomberg L.P.

For the purpose of our evaluation and for illustration, we have made comparisons between the Disposal Group and the Comparable Companies on a historical basis using the following:

- (i) **PER.** The historical PER is commonly used for the purposes of illustrating the profitability and hence the valuation of a company as a going concern; and
- (ii) **P/NTA ratio.** The P/NTA ratio or NTA approach is used to show the extent the value of each share is backed by net tangible assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities, intangible assets of the group and non-controlling interests.

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Comparable Companies	Last financial year-end	Market capitalisation as at the Announcement Date (\$'million)	PER <sup>(1)</sup> (times)	Historical P/NTA <sup>(2)</sup> (times)
Tat Seng	31 Dec 2014	53.45	5.63	0.61
Full Apex	31 Dec 2014	44.17	n.a. <sup>(3)</sup>	0.15
Southern Packaging	31 Dec 2014	33.75	n.a. <sup>(3)</sup>	0.35
China Flexible Packaging	31 Oct 2014	8.00	n.a. <sup>(3)</sup>	0.11

Maximum	0.61
Minimum	0.11
Mean	0.31
Median	0.25

<b>Disposal Group</b>	<b>31 Dec 2014</b>	<b>8.31</b>	<b>8.34</b>	<b>1.00</b>
		<b>(based on the Consideration for the Disposal Group of RMB38.95 million)</b>		<b>(based on audited NTA as at 31 Dec 2014)</b>

**Source:** Bloomberg L.P., annual reports and publicly available announcements

**Notes:**

- (1) The historical PERs of the Comparable Companies were computed based on their respective latest published full year earnings or their T12M earnings, where applicable, as at the Announcement Date. The PER of the Disposal Group as implied by the Consideration is based on the Disposal Group's earnings for FY2014; and
- (2) The P/NTA ratios of the Comparable Companies were computed based on their respective NTA values as set out in their latest published financial statements as at the Announcement Date. The P/NTA ratio of the Disposal Group as implied by the Consideration is based on the Disposal Group's audited NTA as at 31 December 2014; and
- (3) Denotes not applicable as the company is loss-making.

Based on the above market statistics as at the Announcement Date, we note that:

- (i) of the four Comparable Companies, only Tat Seng is profitable. The historical PER of the Disposal Group of 8.34 times as implied by the Consideration is higher than the Tat Seng's PER of 5.63 times; and
- (ii) on the P/NTA basis, based on the audited NTA of the Disposal Group as at 31 December 2014, the historical P/NTA ratio of the Disposal Group of 1.00 time as implied by the Consideration is above the upper range of P/NTA ratios of the Comparable Companies and hence higher than the mean and median of the P/NTA ratios of the Comparable Companies. All the Comparable Companies were trading at deep discounts to their respective NTA.

As an update of the market statistics of the Comparable Companies as the Latest Practicable Date, our analysis of the historical PER and P/NTA ratio of the Disposal Group in comparison with the Comparable Companies remains valid.

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### 5.4 Financial effects of the Proposed Disposal

Details on the financial effects of the Proposed Disposal on the Group are set out in paragraph 2.8 of the Circular and are based on the latest audited consolidated financial statements of the Group for FY2014.

In summary, the Proposed Disposal would result in the following financial effects for the Group:

- (a) the Proposed Disposal will not result in any material gain or loss on disposal to the Group as the Consideration is equivalent to the NAV of the Disposal Group. However, following the Proposed Disposal, the Group will not recognise any profit contribution from the Disposal Group;
- (b) the net asset value of the Group will remain the same as the Consideration is equal to the NAV of the Disposal Group. In effect, the Group would have encashed its investment in the Disposal Group based on the NAV of the Disposal Group less the amount of set-off against the debts owing from the Group to the Purchaser and/or its related parties and affiliates. As at 31 December 2014, the debts owing from the Group to the Purchaser and its related parties and affiliates amounted to approximately RMB16.37 million.

Please refer to paragraph 2.5.1 of the Circular for more information on the settlement arrangements between the Purchaser and the Company; and

- (c) the gearing ratio of the Group will improve due mainly to the net cash proceeds from the Proposed Disposal.

### 5.5 Other relevant considerations

#### 5.5.1 Undertakings from the Mr Zhao Lizhi, Mr Chan Mang Ghoon and Ms Wu Xueying

As stated in Section 4.1 of this Letter, (a) Mr Zhao Lizhi, the controlling shareholder of the Company; (b) Mr Chan Mang Ghoon, a substantial shareholder of the Company; and (c) Ms Wu Xueying, the Chief Executive Officer and an Executive Director of the Company, who have an aggregate deemed shareholding interest of 51.28% in the Company as at the Latest Practicable Date, had provided undertakings to the Purchaser to, *inter alia*, vote in favour of the Proposed Disposal at the EGM. Accordingly, the ordinary resolution to approve the Proposed Disposal will be passed at the EGM.

#### 5.5.2 Hangzhou Youcan as the most logical buyer

Prior to the Company's corporate structure reorganisation and the disposal of the food business to Hangzhou Youcan in 2011, the Packaging Business had supplied packaging products to the food business. Following the disposal of the food business to Hangzhou Youcan, the Packaging Business continues to supply packaging products to the Hangzhou Youcan group of companies ("**Hangzhou Youcan Group**") and maintained good business relationship with the Hangzhou Youcan Group.

In addition, the Directors have confirmed that there were no other competing offers for the Disposal Group up to the Latest Practicable Date. As such, the Purchaser is the most logical buyer for the Disposal Group.

## 6. OUR OPINION

In arriving at our opinion in respect of the Proposed Disposal, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale for the Proposed Disposal;

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- (b) analysis of selected financial information of the Disposal Group;
- (c) assessment of the Consideration for the Proposed Disposal;
- (d) financial effects of the Proposed Disposal; and
- (e) other relevant considerations.

**Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal (if it had been an Interested Person Transaction) is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.**

Our opinion, as disclosed in this Letter, is based solely on publicly available information and information provided by the Directors and the Management and does not reflect any projections of future financial performance of the Company or the Group after the completion of the Proposed Disposal. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Disposal.

This Letter is addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Disposal. The recommendation to be made by the Independent Directors to the Independent Shareholders shall remain the sole responsibility of the Independent Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM and for the purpose of the Proposed Disposal, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**PROVENANCE CAPITAL PTE. LTD.**

Wong Bee Eng  
Chief Executive Officer



## APPENDIX II – EXTRACTS OF THE INDEPENDENT AUDITOR’S REPORT



Ernst & Young Hua Ming LLP  
Shanghai Branch  
50/F, Shanghai World Financial Center  
100 Century Avenue  
Pudong New Area  
Shanghai, China 200120

安永华明会计师事务所（特殊普通合伙）  
上海分所  
中国上海市浦东新区世纪大道100号  
上海环球金融中心50楼  
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Fax 传真: +86 21 2223 0000  
ey.com

### INDEPENDENT AUDITORS’ REPORT

#### To the Board of Directors of Yourun Packaging Technology (Hangzhou) CO., LTD

We have audited the Consolidated Statement of Financial Position of Yourun Packaging Technology (Hangzhou) CO., LTD. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 31 December 2014, and a summary of significant accounting policies and other explanatory information (together “the financial statement”). The financial statement has been prepared by management based on the basis of preparation set out in note 2.

#### Management’s responsibility for the Financial Statement

Management is responsible for the preparation of the financial statement in accordance with the basis of preparation set out in note 2, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### Auditor’s responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS’ REPORT (CONTINUED)

**Opinion**

In our opinion, the consolidated statement of financial position of the Group as at December 31 2014 are prepared, in all material respects, in accordance with the basis of preparation set out in note 2, fairly presents the financial condition of the Group as at December 31 2014.

**Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements are prepared for the reference of Green Build Technology Limited on its disposal of the Group. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Green Build Technology Limited and should not be distributed to parties other than Green Build Technology Limited except in connection for the purposes stated herein.

*Ernst & Young Hua Ming LLP*

Shanghai, the People’s Republic of China

28 April 2015

## APPENDIX II – EXTRACTS OF THE INDEPENDENT AUDITOR’S REPORT

Yourun Packaging Technology (Hangzhou) CO., LTD.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	31 December 2014 RMB'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5	76,482
Land use rights	6	12,740
Intangible assets	7	10
Prepayments	8	1,413
Other investments	9	996
Deferred tax assets	18	<u>725</u>
		92,366
<b>Current assets</b>		
Inventories	10	25,863
Trade receivables	11	86,536
Bills receivable	12	30,699
Other receivables and prepayment	13	18,784
Cash and cash equivalents	14	<u>13,976</u>
		175,858
<b>Total assets</b>		<u><b>268,224</b></u>
<b>Net assets and liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	18	<u>(2,762)</u>
<b>Current liabilities</b>		
Interest-bearing bank borrowings	15	(78,900)
Trade and bills payables	16	(58,044)
Other payables and accruals	17	(31,458)
Income Tax payable		<u>(1,073)</u>
		(169,475)
<b>Total liabilities</b>		<u><b>(172,237)</b></u>
<b>Net assets</b>		<u><b>(95,987)</b></u>
<b>Equity</b>		
Issued capital	19	(9,598)
Contributed reserve		22,179
Reserve		(7,916)
Retained earnings		<u>(43,615)</u>
<b>Equity attributable to owners of the parent</b>		<u><b>(38,950)</b></u>
Non-controlling interests		<u>(57,037)</u>
<b>Total equity</b>		<u><b>(95,987)</b></u>

The financial statements on pages 3 to 28 have been signed by:

General Manager:

Financial Controller:

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## APPENDIX III – EXECUTIVE SUMMARY OF VALUATION REPORT

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Valuation report on the fair market value of shareholder's equity of YOURUNPACKAGING TECHNOLOGY(HANGZHOU)CO., LTD.

ZHE ZHONGQIHUA PING BAO ZI(2015) No.091

### Abstract

#### Important Information

The following contents are abstracts from the Valuation Report, and for more detailed information of the project, please read the entire Valuation Report carefully.

Appointed by GREEN BUILD TECHNOLOGY LIMITED, Zhejiang ZhongQiHua Appraisal Co.,Ltd. has valued the fair market value of shareholder's equity of YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD. by using Asset-based approach on the evaluation date. The valuation was performed in accordance with the relevant state regulations on valuation and adheres to all the necessary valuation procedures and is in the principles of independence, objectivity and fairness. The abstract of the valuation report are as follows:

**Purpose of the Valuation:** GREEN BUILD TECHNOLOGY LIMITED plan to transfer the equity of YOURUN PACKAGINGTECHNOLOGY (HANGZHOU) CO., LTD. The valuationreport provides the value reference for GREEN BUILD TECHNOLOGY LIMITED.

**Object of the Valuation:** All shareholders' equity of YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD.

**Scope of the Valuation:**All assets and liabilities of YOURUN PACKAGINGTECHNOLOGY (HANGZHOU) CO., LTD.,including current assets, non-current assets (long-term equity investment, fixedassets) and current liabilities.

**Date of Valuation:** December 31, 2014

**Valuation Type:** Market value

**Valuation Methods:** Asset-based approach is used for parent company which is YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD. Asset-based approach and Income Approach are used for subsidiary and sub-subsidiary companies which are YUEHAI COLOUR PRINTING AND PACKAGING CO.,LTD. and HAINING JIAHUA PACKAGING CO.,LTD. respectively.

**Valuation Conclusion:** Up to the valuation date, the net book value of total assets of YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD. were RMB50,089,700. After valuation, the fair market value were RMB56,522,300 with a total valuation increase of RMB6,432,600 representing an appreciation of 12.84%; the net book value of total liabilities of YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD. were RMB18,924,100. After valuation, the fair market value were RMB18,924,100 which is the same; the net book value of total shareholder's equity of



## APPENDIX III – EXECUTIVE SUMMARY OF VALUATION REPORT

YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD. were RMB31,165,600. After valuation, the fair market value were RMB37,598,200 with a total valuation increase of RMB6,432,600 representing an appreciation of 20.64%(the net book value is audited by ZHEJIANG ZHIJIANG Accounting Firm, and issued Audit Report ZHE SHEN ZI (2015) No. 170 on March 5<sup>th</sup> 2015)

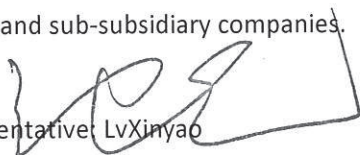
This valuation report is only to provide reference for the economic behavior referred to in this report. The validity period of the valuation conclusion is from December 31, 2014 to December 30, 2015.

The users of the valuation report should fully consider the valuation hypothesis, restrictions and disclosures of special issues stated in the report and the influence they may make on the valuation results and conclusions:

1. The object of the valuation is all shareholders' equity of YOURUN PACKAGING TECHNOLOGY (HANGZHOU) CO., LTD., including subsidiary and sub-subsidiary companies (YUEHAI COLOUR PRINTING AND PACKAGING CO.,LTD. and HAINING JIAHUA PACKAGING CO.,LTD.) of which YOURUN PACKAGING TECHNOLOGY (HANGZHOU) CO., LTD. has a 51% stake.
2. Asset-based approach is used in the valuation for YOURUN PACKAGING TECHNOLOGY(HANGZHOU) CO., LTD. because this company is an investment holding company with no substantive business.

Asset-based approach and Income Approach are used for subsidiary and sub-subsidiary companies which are YUEHAI COLOUR PRINTING AND PACKAGING CO.,LTD. and HAINING JIAHUA PACKAGING CO.,LTD. respectively. The reasons for differences between these two methods are as follows:the results from Asset-based approach reflect the business based on the replacement value of existing assets while Income approach takes into considerationthe future profitability of the enterprises as a whole. Based on the purpose of this valuation, parties in an equitytransfertransaction are not only concerned about the value of the summation of each single asset, butare more concerned about the future profitability and growth potential ofthe evaluated companies. As such, the results ofIncome Approach are more objective and rational. After analysis and comparison, the results of Income Approach are used as the basis for the final conclusion in the determination of the fair value of the subsidiary and sub-subsidiary companies.

Legal Representative: LvXinyao



Certified Public Valuer: Ni Weibua



Certified Public Valuer: Zhou Yinjiang



Zhejiang ZhongQiHua Appraisal Co., Ltd.

May 19, 2015

**APPENDIX IV – INFORMATION ON THE SUBSCRIBERS IN RELATION TO THE PROPOSED PLACEMENT**

S/N	Name	Name in Chinese	Designation	No. of shares subscribed	Percentage of the total number of placement shares (%)	Percentage of the Enlarged Share Capital (%)
1	Yu Hai Nan	于海南	Technical Department Designer	841,000	10.76	0.34
2	Liu Bing Hui	刘丙辉	General Office Assistant Head and Assistant to the Directors	789,000	10.09	0.32
3	Sun Hai Wen	孙海文	General Officer Assistant	789,000	10.09	0.32
4	Wang Yi	王毅	Strategic Development Department Assistant Head	709,000	9.07	0.29
5	Li Shuang	李双	General Office Administrative Assistant	678,000	8.67	0.27
6	Jiang Hai Yang	姜海洋	Technical Department Designer	657,000	8.40	0.27
7	Ma Shan Shan	马姗姗	Personal Assistant to the CEO	546,000	6.98	0.22
8	Wang Hong	王红	Deputy General Manager	494,000	6.32	0.20
9	Kang Jian	康健	Technical Department Head	456,000	5.83	0.18
10	Zhang Shao Yan	张绍岩	Projects Department Manager	448,000	5.73	0.18
11	Ling Yun Jie	凌云婕	General Office Head	428,000	5.48	0.17
12	Yang Xiao Yu	杨笑宇	Deputy General Manager	421,000	5.39	0.17
13	Sun Hong Lei	孙洪磊	Deputy General Manager	264,000	3.38	0.11
14	Zhang Li Wei	张立巍	Projects Department Head	145,000	1.86	0.06
15	Li Xue Feng	李学丰	Projects Department Manager	73,000	0.93	0.03
16	Ji Meng Chen	纪梦晨	Staff of the Office of the General Manager	66,000	0.84	0.03
17	Yu Tao	于涛	Projects Department Electrical Engineer	14,000	0.18	0.01
<b>Summary</b>				<b>7,818,000</b>	<b>100.00</b>	<b>3.17</b>

**APPENDIX V – INFORMATION ON THE UNRELATED THIRD PARTY  
SHAREHOLDERS OF YUE HAI**

<b>S/N</b>	<b>Name</b>	<b>Name in Chinese</b>	<b>No. of shares held</b>	<b>Percentage of the total number of shares in Yue Hai (%)</b>
1	Ye Li	叶丽	2,270,000	7.31
2	Zhang Xiao Da	张晓达	460,000	1.48
3	Xu Yun Xiang	许云祥	196,392	0.63
4	Zhu Hai Jiang	朱海江	196,392	0.63
5	Wang Juan Hua	王娟华	154,992	0.50
6	Zhu Xiao Lan	朱晓兰	130,928	0.42
7	Chen Zhi Liang	陈志良	100,000	0.32
8	Jia Wei Guo	贾维国	93,520	0.30
9	Zhang Jiang Sheng	张建生	84,468	0.27
10	Yu Wei Ni	俞炜妮	50,000	0.16
<b>Summary</b>			<b>3,736,692</b>	<b>12.03</b>



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### GREEN BUILD TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore on 6 February 2004)

(Company Registration Number 200401338W)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of the Company will be held at RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on 23 February 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

All capitalised terms in the resolutions below and defined in the Circular dated 5 February 2016 to the shareholders of the Company (the “Circular”) shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

Resolved that:

**1. ORDINARY RESOLUTION – PROPOSED DISPOSAL**

- (a) the Company’s proposed disposal of the Disposal Capital to the Purchaser (the “**Proposed Disposal**”) be and is hereby approved; and
- (b) save for Mr Li Bin, all other Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Disposal as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company;

***Note: Mr Li Bin will, and will procure his Associates to, abstain from voting on the above ordinary resolution pertaining to the Proposed Disposal in respect of his shareholding in the Company and shall not accept nominations as proxies or otherwise for voting on the aforesaid resolution.***

**2. ORDINARY RESOLUTION – PROPOSED PLACEMENT**

- (a) the Company’s proposed placement of Subscription Shares to the Placement (the “**Proposed Placement**”) be and is hereby approved; and
- (b) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to Proposed Placement as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

**BY ORDER OF THE BOARD**

Wu Xueying  
Chief Executive Officer and Executive Director  
5 February 2016

**Notes:**

- (1) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- (2) A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (3) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- (4) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at **9 Temasek Boulevard Suntec City Tower 2 #09-01 Singapore 038989** at least 48 hours before the time fixed for the Extraordinary General Meeting. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the EGM in order for him to be entitled to vote at the EGM.
- (5) By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## PROXY FORM

### GREEN BUILD TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200401338W)

### PROXY FORM EXTRAORDINARY GENERAL MEETING

#### IMPORTANT

For investors who have used their CPF moneys to buy shares in the capital of Green Build Technology Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

CPF Investors who wish to attend the Extraordinary General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the company, Green Build Technology Limited (Agent Banks: please see note No. 8 on required format)

I/We \_\_\_\_\_ (Name), NRIC/Passport Number\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of **GREEN BUILD TECHNOLOGY LIMITED** (the "Company"), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

and/or such persons as furnished by us in accordance with Note 3 of this proxy form, whom failing, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on 23 February 2016 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

S/N	ORDINARY RESOLUTION	For*	Against*
1.	To approve the Proposed Disposal		
2.	To approve the Proposed Placement		

\* If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

**Total Number of Shares Held**

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE.**



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## PROXY FORM

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### Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.  
  
“Relevant intermediary” means:
  - (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (“CDP”), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the said Depository Register and registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
6. The instrument appointing a proxy or proxies must be deposited at the Company’s registered office at **9 Temasek Boulevard Suntec City Tower 2 #09-01 Singapore 038989** not less than 48 hours before the time set for the Extraordinary General Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.
10. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he is able to do so.
11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Company.
12. Agent Banks acting on the request of CPF Investors who wish to attend the Extraordinary General Meeting as Observers are required to submit in writing, a list with details of the investors’ name, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Extraordinary General Meeting.
13. A Depositor’s name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the EGM in order for him to be entitled to vote at the EGM.
14. By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.